

**SCHOOL DISTRICT
OF
RUNNEMEDE**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Runnemedede Board of Education

Runnemedede, New Jersey

For the Fiscal Year Ended June 30, 2015

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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For the Fiscal Year Ended June 30, 2015

Prepared by

Runnemedede Board of Education

Finance Department

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OF THE RUNNEMEDE SCHOOL DISTRICT
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INTRODUCTORY SECTION

Runnemedde Board of Education

Dr. Sean McCarron
Business Administrator

505 W. Third Avenue
Runnemedde, NJ 08078
(856) 931-5367 Fax: (856) 931-4446

November 25, 2015

Honorable President and
Members of the Board of Education
Runnemedde School District
County of Camden, New Jersey 08078

Dear Board Members:

The Comprehensive Annual Financial Report of the Runnemedde Public School District (District) for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections as follows:

- The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials.
- The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, P.L. 98-502 and as amended by the Single Audit Act Amendments of 1996, P.L. 104-156 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 04-04 and/or 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Runnemede Public School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by Statement No. 14. All funds of the District are included in this report. The Runnemede Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include comprehensive regular curriculum with appropriate support services, as well as special education for learning disabled/handicapped students. The District completed the 2014-2015 fiscal year with a June enrollment of 870 students. This represents thirteen (30) more students than 2013-14. The following table details the changes in the student enrollment of the District over the last ten years.

June 30 Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-15	870	3.57%
2013-14	840	(1.52)%
2012-13	853	(1.04)%
2011-12	862	1%
2010-11	851	(.12)%
2009-10	852	.95%
2008-09	844	5.10%
2007-08	803	2.49%
2006-07	806	.12 %
2005-06	805	(3.48)%
2004-05	834	3.60 %

2. ECONOMIC CONDITION AND OUTLOOK:

The adequacy formula was again insufficient for the Runnemede School District because it was not fully funded. It fell short of meeting the needs of the growing "at risk" and total school populations. We estimated a significant shortfall when calculating the aid percentage that was commensurate with the formula and what we actually received. In addition, the District continued to recover from the loss of 2010-11 fund balance and reserves, which accounted for a sizeable amount of money that would have been earmarked for tax relief in the 2011-12 and 2012-13 budgets. While staffing levels remained consistent a newly negotiated collective bargaining agreement accounted for an average 2.8% increase for aligned staff and a 2% increase for non-aligned staff.

3. MAJOR INITIATIVES:

The District's consistent focus is successful academic achievement based on instructional improvement. Guided reading continues to be implemented in all grade levels, providing an opportunity to differentiate instruction and meet the needs of individual learners. We have aligned our mathematics program to our sending high school district, providing our students with as many opportunities as possible. On-going professional development has been taking place on-site by having consultants push into classrooms to work with teachers and model lessons.

RTI (Response to Intervention) was fully implemented during the 2014 -2015 school year in grades K-5. We are looking to expand this during the 15-16 school year. The RTI Model has increased conversations between staff members, students, and parents regarding student interventions being put in place. RTI teachers provide a mix of services between pushing into the classroom and pulling out during the school day.

Technology continues to advance with the continuous upgrade of computer labs and increasing our 1:1 initiative to grades 5-8. All classrooms are equipped with Interactive White Boards, and we are continually budgeting to upgrade this equipment. The web-based student information management system, Real-Time, was used again to include the lesson-planning module and our staff evaluations.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2014.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9. OTHER INFORMATION:

A) Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Raymond Colavita, C.P.A., R.M.A. of the accounting firm, Nightlinger, Colavita and Volpa, P.A. was selected by the Board's Audit Committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, P.L. 98-502 and as amended by the Single Audit Act Amendments of 1996, P.L. 104-156, and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 and/or 15-08 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

B) Awards – The District has received one (1) safety award in recognition of the efforts and achievement of our Safety Program. These awards have been issued from the New Jersey School Boards Association Insurance Group.

10. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Runnemede School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the public school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff. We received the complete cooperation from Nightlinger, Colavita & Volpa, P.A. and appreciate the courtesies extended to us.

Respectfully submitted,

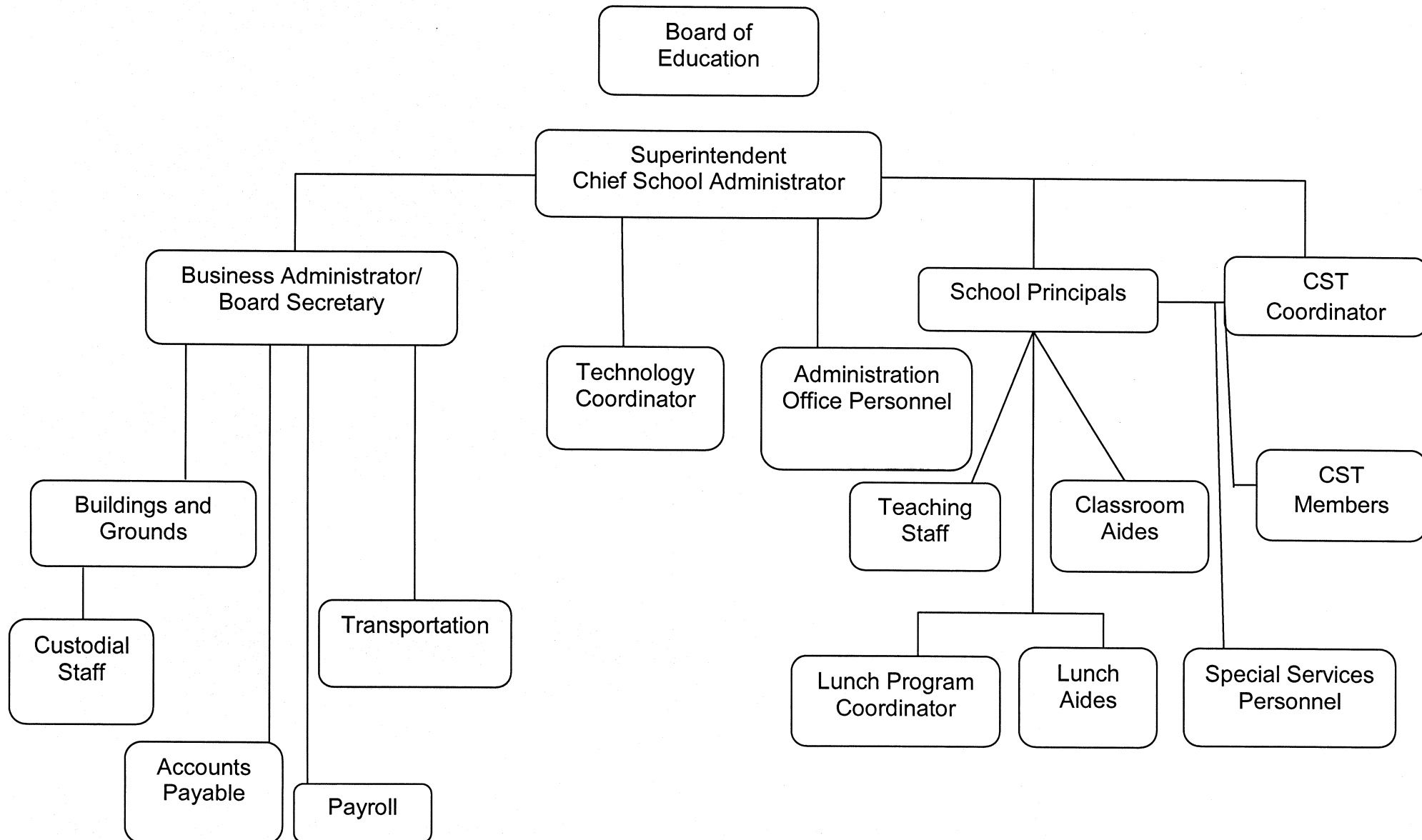
Mark Iannucci

Mark Iannucci, Superintendent

Dr. Sean McCarron

Dr. Sean McCarron, School Business
Administrator

RUNNEMEDE BOARD OF EDUCATION



RUNNEMEDE BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2015

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Samantha Spaulding, President	2015
Charles Buchheim, Vice President	2015
Angel Beebe	2017
Joe Impagliazzo	2017
Myssee Anderson	2015
Patricia Adair	2015
Naomi Davidson	2016
Amy Farry	2016
Maria Panzarella	2016

<u>OTHER OFFICIALS</u>	<u>BOND AMOUNT</u>
Mark Iannucci, Superintendent	
Dr. Sean R. McCarron, Board Secretary / Business Administrator	\$ 50,000
Rebecca Giordano, District Accountant	
Christie Ehret, Treasurer	200,000
Philip Stern, Esq., Solicitor	

RUNNEMEDE BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

ARCHITECT

Garrison Architects
1400 F Commerce Parkway
Mount Laurel, NJ 08054

AUDIT FIRM

Raymond Colavita, CPA, RMA, PSA
Nightlinger, Colavita and Volpa, PA
P.O. Box 799
Williamstown, NJ 08094

ATTORNEY

Adams, Stern, Gutierrez & Lattiboudere, LLC
744 Broad Street
Suite 1600
Newark, NJ 07102

OFFICIAL DEPOSITORY

PNC Bank
Glendora, NJ 08029

INSURANCE AGENCY

The Barclay Group
202 Broad Street, P.O. Box 244
Riverton, NJ 08077

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
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Williamstown, NJ 08094

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November 25, 2015

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Runnemede School District
County of Camden, New Jersey 08078

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Runnemede School District in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Runnemede School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Runnemede Board of Education in the County of Camden, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 19 and 55 through 61 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Runnemede Board of Education's financial statements as a whole. The accompanying introductory section and other supplementary information such as the combining and individual non-major fund financial statements, long-term debt schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, ***Audits of States, Local Governments, and Non-Profit Organizations***; and New Jersey OMB's Circular 04-04 and/or 15-08, ***Single Audit Policy For Recipients of Federal Grants, State Grants and State Aid***, respectively and are not a required part of the financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 25, 2015 on our consideration of the Runnemede Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

A handwritten signature in dark ink, appearing to read "Raymond Colavita", written in a cursive style.

Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

RUNNEMEDE SCHOOL DISTRICT
BOROUGH OF RUNNEMEDE

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

UNAUDITED

As management of the Runnemede Public School District, we offer readers of the financial statements this overall review of the School District's financial activities for the fiscal year ended June 30, 2015. While the intent of this discussion and analysis is to look at the School District's financial performance as a whole, readers should also review the notes to the financial statements in conjunction with other sections of the CAFR, in order to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- ❖ The assets of the School District exceeded its liabilities at the close of the fiscal year ended June 30, 2015 by \$4,158,654. This amount represents Net Position, which decreased by \$835,831 from the previous year-end.
- ❖ Total net position of governmental activities totaled \$4,101,295 and capital assets of \$3,473,772 comprised 46.7% of all governmental activities assets of \$7,447,968.
- ❖ General revenues, net of adjustments, accounted for \$13,339,073 in revenue or 88.5% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, accounted for \$1,726,058 or 11.5% to total revenues of \$15,065,131.
- ❖ The School District had \$14,229,300 in program expenses. These expenses were offset by program specific charges for services, grants or contributions of \$1,726,058 as mentioned above in arriving at the net governmental activity expenses of the District. General revenues comprising federal and state aid of \$6,699,260, property taxes of \$6,535,674 and other miscellaneous revenues and adjustments of \$104,139 were adequate to provide for the programs maintained by the school.
- ❖ The General Fund had \$12,954,687 in revenues, \$12,006,604 in expenditures and other financing use reductions of \$12,360. The General Fund's balance increased \$935,723 over 2014. This increase was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Runnemede School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of the Runnemede School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. There are three school buildings maintained by the District, which are the Bingham Elementary School, the Downing Elementary School, and the Voltz Middle School.
- ❖ **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 22. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Governmental Funds (Continued)

The Governmental Fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same. The Food Service Fund is the only Enterprise Fund maintained by the District.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole, which includes the Business-type Activities.

Table 1 provides a comparative summary of the School District's net position for the years ended in 2015 and 2014.

Table 1
Net Position

	2015	2014
Assets		
Current and Other Assets	\$ 4,030,365	\$ 3,085,709
Capital Assets, Net	3,479,073	3,610,361
Total Assets	7,509,438	6,696,070
Deferred Pension Outflow	314,518	
Liabilities		
Long-term Liabilities	351,916	389,340
Other Liabilities	3,132,737	109,060
Total Liabilities	3,484,653	498,400
Deferred Pension Inflows	180,649	
Net Position		
Invested in Capital Assets, Net of Debt	3,479,073	3,610,361
Restricted	4,005,111	3,154,832
Unrestricted	(3,325,530)	(567,532)
Total Net Position	\$ 4,158,654	\$ 6,197,670

Table 2 shows the changes in net position from fiscal year's 2015 and 2014.

Table 2
Changes in Net Position

	2015	2014
Revenues		
Programs Revenues		
Charges for Services	\$ 92,106	\$ 73,166
Operating Grants and Contributions	1,633,952	1,478,114
General Revenues		
Property Taxes	6,535,674	5,273,763
Grants and Entitlements	6,699,260	6,466,280
Other	104,139	444,003
Total Revenues	15,065,131	13,735,326
Program Expenses		
Instruction	5,213,843	5,079,363
Support Services		
Tuition	413,871	399,883
Pupils and Instructional Staff	1,575,472	1,418,875
General Administration, School		
Administration, Business	908,056	1,027,297
Operations and Maintenance of Facilities	878,185	769,558
Pupil Transportation	311,425	290,743
Unallocated Employee Benefits	4,544,444	3,268,707
Enterprise Funds	220,927	257,015
Other	163,077	200,317
Total Expenses	14,229,300	12,711,758
Increase in Net Position	\$ 835,831	\$ 1,023,568

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Of the District's \$15,065,131 in total revenues for the fiscal year ended June 30, 2015, property taxes made up 43.4% of the revenues raised for governmental activities. Federal, state and local grants accounted for another 44.5% and other revenues including adjustments made up 1.3%. The total cost of all program and services was \$14,229,300 of which the net amount spent on governmental activities was \$12,526,023. Of this amount, instruction comprised 38.6%.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service revenue exceeded expenses by \$22,781.
- ❖ The General Fund subsidized the food service operation by \$25,000, which contributed to the food program ending the year with a positive change in net position of \$47,785. The District will continue to identify a means to bring the food service cost of the District under control.
- ❖ Charges for services in the Food Service Fund represent \$92,106 of revenue. This represents the amount paid by patrons for daily food services for 38% of the \$268,708 total revenue in the Food Service Fund.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$151,602 which represents 68.6% of the revenue.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Total Cost of Service 2015</u>	<u>Net Cost of Service 2015</u>	<u>Total Cost of Services 2014</u>	<u>Net Cost of Services 2014</u>
Instruction	\$ 5,213,843	\$ 4,834,305	\$ 5,079,363	\$ 4,704,163
Support Services				
Tuition	413,871	413,871	399,883	399,883
Pupils and Instructional Staff	1,575,472	1,324,251	1,418,875	1,212,528
General Administration, School				
Administration, Business	908,056	908,056	1,027,297	1,027,297
Operation and Maintenance of Facilities	878,185	878,185	769,558	769,558
Pupil Transportation	311,425	311,425	290,743	290,743
Employee Benefits	4,544,444	3,692,853	3,268,707	2,494,017
Other	163,077	163,077	200,317	200,317
Total Expenses	<u>\$ 14,008,373</u>	<u>\$ 12,526,023</u>	<u>\$ 12,454,753</u>	<u>\$ 11,098,506</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School District which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

The School District's Funds

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$13,585,446 and expenditures of \$12,637,363. The net change in fund balance for the year was \$903,632, which included the transfer to the food service fund of \$25,000 and a transfer to charter school of \$9,070. The School District is able to meet current operating costs with no urgent need for additional funds.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects and permanent fund expenditures) for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) 2014</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 6,886,186	50.7%	\$ 76,896	1.2%
State Sources	6,164,241	45.4%	229,626	3.8%
Federal Sources	535,019	3.9%	3,354	0.6%
Total	<u>\$ 13,585,446</u>	<u>100.0%</u>	<u>\$ 309,876</u>	<u>2.4%</u>

The increase in Local Sources is attributed to increase in the local tax levy of \$132,600 and miscellaneous revenue of \$33,657, offset by decreases in tuition income of \$89,305 and interest earned of \$56.

The decrease in State Sources is attributed to lower general fund state aid of \$208,803 offset by an increase in grants for special projects of \$20,823.

The decrease in Federal Sources is attributed to decreases in various grant awards of \$3,354.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2015.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 5,196,449	41.1%	\$ 146,048	2.8%
Undistributed Expenditures	7,366,555	58.3%	173,491	2.4%
Capital Outlay	74,359	0.6%	(270,618)	-212.9%
Total	<u>\$ 12,637,363</u>	<u>100.0%</u>	<u>\$ 48,921</u>	<u>0.4%</u>

The increase in Current – Instruction is attributed to increases in regular instruction of \$26,530, special education instruction of \$61,085 and other instruction of \$58,433.

The increase in Current – Undistributed Expenditures is attributed to increases in district tuition of \$13,988 student and instruction related expenses of \$156,597, plant operations and maintenance of \$98,934, pupil transportation of \$20,682 and employee benefits of \$5,084, offset by a decrease in administrative costs of \$121,794.

The decrease in capital outlay of \$270,618 is attributed to decreases in equipment purchases of \$270,618.

There were no debt service payments, as the remaining debt was paid off in the 2013-14 school year.

General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey Law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2015, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

Some of the normal budgetary situations requiring attention during the year are:

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District's final budget for the general fund anticipated that revenues, including surplus appropriated, would roughly equal expenditures, the actual results for the year show an actual increase in fund balance of \$941,837.

- ❖ Actual revenues were \$182,600 higher than expected, (excluding On-Behalf pension and social security state aid of \$1,141,225), due primarily to local source revenue of \$102,551, other categorical aid of \$62,857 and special education Medicaid reimbursements of \$17,192.
- ❖ The actual expenditures were \$1,569,789 less than expected, (excluding On-Behalf pension and social security state aid of \$1,141,225), due positive variances in Instructional expenses of \$242,016, Tuition costs of \$74,007, Pupil and staff support costs of \$31,743, Administrative costs of \$145,004, Plant and Maintenance costs of \$116,459, Transportation costs of \$38,375, Employee Benefits of \$530,650 and Capital Outlay costs of \$391,535.

Capital Assets

At the end of the fiscal year 2015, the School District had \$3,479,073 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2015 balances compared to 2014.

Table 4
Capital Assets (Net of Depreciation) at June 30

	2015	2014
Land	\$ 29,083	\$ 29,083
Site Improvements	40,183	50,183
Building and Improvements	3,032,180	3,163,280
Equipment	377,627	367,815
Totals	\$ 3,479,073	\$ 3,610,361

Overall capital assets decreased \$131,288 from fiscal year 2014 to fiscal year 2015. Increases were \$70,859 in Equipment, offset by depreciation expense of \$202,147.

Debt Administration

At June 30, 2015, the School District had \$351,916 as outstanding debt, all of which is for compensated absences.

At June 30, 2015, the School District's overall legal debt margin was \$15,674,001, all of which constitutes unvoted debt permitted by statute.

For the Future

The Runnemede School District is presently in good financial condition. A major concern is the continued increases in mandated expenditures that are not aided by funding from the state. The Board of Education holds their annual school board election in November annually and agreed to reserve increase of tax levy to no more than two percent. While this ensures greater control over the budget, the restriction results in fiscally conservative decisions that may curtail programmatic growth and capital improvements.

It is the responsibility of the governing body to make decisions that are consistently centered on student achievement and preservation of the asset while remaining mindful of the taxpayer. The District will continue to pursue new ways to decrease spending where possible to ensure that funding is adequate to ensure attainment of the goal of quality educational programs for its students. This will be accomplished by maintaining exemplary practices in financial planning, budgeting and maintaining financial controls that are in accordance with state statutes and guidelines.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact, Dr. Sean McCarron, Business Administrator/Board Secretary at Runnemede Board of Education, 505 West Third Avenue, Runnemede, New Jersey 08078.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,813,446	\$ 46,954	\$ 3,860,400
Receivables, Net	158,355	8,939	167,294
Interfunds	2,395		2,395
Restricted Assets:			
Inventory		276	276
Capital Assets, Net (Note 5):	3,473,772	5,301	3,479,073
Total Assets	<u>7,447,968</u>	<u>61,470</u>	<u>7,509,438</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	<u>314,518</u>		<u>314,518</u>
LIABILITIES			
Accounts Payable	45,963	945	46,908
Other Liabilities	23,179		23,179
Unearned Revenue	28,183	3,166	31,349
Net Pension Liability	3,031,301		3,031,301
Non-current Liabilities (Note 6):			
Due Within One Year	27,738		27,738
Due Beyond One Year	324,178		324,178
Total Liabilities	<u>3,480,542</u>	<u>4,111</u>	<u>3,484,653</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	<u>180,649</u>		<u>180,649</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	3,473,772	5,301	3,479,073
Restricted for:			
Capital Reserve	1,870,419		1,870,419
Maintenance Reserve	700,000		700,000
Excess Surplus	1,383,328		1,383,328
Other Purposes	51,364		51,364
Unrestricted (Deficit)	<u>(3,377,588)</u>	<u>52,058</u>	<u>(3,325,530)</u>
Total Net Position	<u>\$ 4,101,295</u>	<u>\$ 57,359</u>	<u>\$ 4,158,654</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 3,652,476	\$ -	\$ 379,538	\$ (3,272,938)	\$ -	\$ (3,272,938)
Special Education	1,253,654			(1,253,654)		(1,253,654)
Other Instruction	307,713			(307,713)		(307,713)
Support Services:						
Tuition	413,871			(413,871)		(413,871)
Student & Instruction Related Services	1,575,472		251,221	(1,324,251)		(1,324,251)
General and Business Administrative Service	351,806			(351,806)		(351,806)
School Administrative Services	356,589			(356,589)		(356,589)
Central Services	185,901			(185,901)		(185,901)
Admin Info Tech	13,760			(13,760)		(13,760)
Plant Operations and Maintenance	878,185			(878,185)		(878,185)
Pupil Transportation	311,425			(311,425)		(311,425)
Employee Benefits	4,544,444		851,591	(3,692,853)		(3,692,853)
Unallocated Depreciation	163,077			(163,077)		(163,077)
Total Governmental Activities	14,008,373		1,482,350	(12,526,023)		(12,526,023)
Business-type Activities:						
Food Service	220,927	92,106	151,602		22,781	22,781
Total Business-type Activities	220,927	92,106	151,602		22,781	22,781
Total Primary Government	\$14,229,300	\$ 92,106	\$ 1,633,952	\$ (12,526,023)	\$ 22,781	\$ (12,503,242)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 6,535,674	\$ -	\$ 6,535,674
Federal, State and Local Aid Not Restricted				6,699,260		6,699,260
Tuition from other LEA'S				33,384		33,384
Investment Earnings				1,070	4	1,074
Miscellaneous Income				89,132		89,132
Cancellation of Prior Year Receivable				(10,381)		(10,381)
Transfers - Food Service				(25,000)	25,000	
Transfers - To Charter School				(9,070)		(9,070)
Total General Revenues, Special Items, Extraordinary Items and Transfers				13,314,069	25,004	13,339,073
Change in Net Position				788,046	47,785	835,831
Net Position—Beginning (Restated)				3,313,249	9,574	3,322,823
Net Position—Ending				\$ 4,101,295	\$ 57,359	\$ 4,158,654

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

RUNNEMEDE BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 2,282,589	\$ 30,913	\$	\$ 2,313,502
Cash and Cash Equivalents - Capital Reserve	1,499,944			1,499,944
State Aid Receivable	141,435			141,435
Federal Aid Receivable		8,852		8,852
Interfund Receivable	2,395			2,395
Other Receivables	8,068			8,068
Total Assets	<u>\$ 3,934,431</u>	<u>\$ 39,765</u>	<u>\$</u>	<u>\$ 3,974,196</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 38,075	\$ 7,888	\$	\$ 45,963
Due to State of New Jersey		23,179		23,179
Unearned Revenue	19,485	8,698		28,183
Total Liabilities	<u>57,560</u>	<u>39,765</u>		<u>97,325</u>
Fund Balances:				
Restricted For:				
Excess Surplus	666,782			666,782
Excess Surplus - Designated for Subsequent Year's Expenditures	716,546			716,546
Maintenance Reserve Account	700,000			700,000
Capital Reserve Account	377,010			377,010
Assigned To:				
Year-End Encumbrances	26,388			26,388
Capital Reserve - Designated for Subsequent Year's Expenditures	1,493,409			1,493,409
Designated for Subsequent Year's Expenditures	24,976			24,976
Unassigned, Reported In:				
General Fund Balance	(128,240)			(128,240)
Total Fund Balances	<u>3,876,871</u>			<u>3,876,871</u>
Total Liabilities and Fund Balances	<u>\$ 3,934,431</u>	<u>\$ 39,765</u>	<u>\$</u>	

Amounts reported for *governmental activities* in the Statement of
Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,856,613 and the accumulated depreciation is \$3,382,841 (See Note 5)	3,473,772
Deferred Outflow of Resources - Deferred Pension Contribution.	314,518
Deferred Inflows of Resources - Pension Actuarial Gains.	(180,649)
Long Term Net Pension Liability	(3,031,301)
Long-term liabilities, including bonds payable and Compensated Absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).	(351,916)
Net Position of Governmental Activities	<u>\$ 4,101,295</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources:				
Local Tax Levy	\$ 6,762,600	\$	\$	\$ 6,762,600
Tuition from Individuals	46,760			46,760
Tuition from Other LEAS	33,384			33,384
Interest Earned on Investments	595			595
Interest Earned on Capital Reserve Funds	475			475
Miscellaneous	38,062	4,310		42,372
Total - Local Sources	6,881,876	4,310		6,886,186
State Sources	6,042,724	121,517		6,164,241
Federal Sources	30,087	504,932		535,019
Total Revenues	12,954,687	630,759		13,585,446
EXPENDITURES				
Current:				
Regular Instruction	3,255,544	379,538		3,635,082
Special Education Instruction	1,253,654			1,253,654
Other Instruction	307,713			307,713
Support Services:				
Tuition	413,871			413,871
Student & Instruction Related Services	1,324,251	251,221		1,575,472
General Administrative Services	339,599			339,599
School Administrative Services	356,589			356,589
Central Services	185,901			185,901
Admin Info Tech	13,760			13,760
Plant Operations and Maintenance	866,079			866,079
Pupil Transportation	311,425			311,425
Employee Benefits	3,303,859			3,303,859
Capital Outlay	74,359			74,359
Total Expenditures	12,006,604	630,759		12,637,363
Excess (Deficiency) of Revenues Over Expenditures	948,083			948,083
OTHER FINANCING SOURCES (USES)				
Transfers out - Food Service Fund	(25,000)			(25,000)
Cancellation of SDA Receivable			(10,381)	(10,381)
Transfer from Capital Projects Fund	21,710		(21,710)	
Transfers to Charter School	(9,070)			(9,070)
Total Other Financing Sources and Uses	(12,360)		(32,091)	(44,451)
Net Change in Fund Balances	935,723		(32,091)	903,632
Fund Balance—July 1	2,941,148		32,091	2,973,239
Fund Balance—June 30	\$ 3,876,871	\$ -	\$ -	\$ 3,876,871

The accompanying Notes to Financial Statements are an integral part of this statement.

RUNNEMEDE BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	903,632
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Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$	(204,784)	
Capital outlays		74,359	
			(130,425)

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and differed inflows/outflows related to pension changed during the period.

(22,585)

In the Statement of Activities, certain operating expenses, e.g. compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).

37,424

Change in Net Position of Governmental Activities (A-2)	\$	788,046
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The accompanying Notes to Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current Assets:		
Cash	\$ 47,349	\$ 47,349
Accounts Receivable	8,939	8,939
Inventory	276	276
Total Current Assets	56,564	56,564
Fixed Assets:		
Equipment	14,597	14,597
Accumulated Depreciation	(9,296)	(9,296)
Total Fixed Assets	5,301	5,301
Total Assets	61,865	61,865
LIABILITIES:		
Current Liabilities:		
Accounts Payable	945	945
Interfund Payable	395	395
Unearned Revenue	3,166	3,166
Total Current Liabilities	4,506	4,506
NET POSITION:		
Invested in Capital Assets Net of Related Debt	5,301	5,301
Unrestricted	52,058	52,058
Total Net Position	\$ 57,359	\$ 57,359

The accompanying Notes to Financial Statements are an integral part of this statement.

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 48,066	\$ 48,066
Daily Sales - Non-Reimbursable Programs	44,040	44,040
Total Operating Revenue:	92,106	92,106
Operating Expenses:		
Salaries	62,522	62,522
Employee Benefits	8,808	8,808
Management Fee	5,000	5,000
Supplies and Materials	1,283	1,283
Cost of Sales	142,451	142,451
Depreciation	863	863
Total Operating Expenses	220,927	220,927
Operating Income (Loss)	(128,821)	(128,821)
Non-operating Revenues (Expenses):		
State Sources:		
State School Lunch Program	2,623	2,623
Federal Sources:		
National School Lunch Program	106,642	106,642
National School Breakfast Program	28,668	28,668
Food Distribution Program	13,669	13,669
Interest	4	4
Total Non-operating Revenues (Expenses)	151,606	151,606
Income (Loss) Before Contributions & Transfers	22,785	22,785
Transfers In (Out)	25,000	25,000
Change in Net Position	47,785	47,785
Total Net Position—Beginning	9,574	9,574
Total Net Position—Ending	\$ 57,359	\$ 57,359

The accompanying Notes to Financial Statements are an integral part of this statement.

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities	
	Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 92,106	\$ 92,106
Payments to Employees	(62,522)	(62,522)
Payments for Employee Benefits	(8,808)	(8,808)
Payments to Suppliers	(118,522)	(118,522)
Net Cash Provided by (used for) Operating Activities	(97,746)	(97,746)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	2,623	2,623
Federal Sources	135,310	135,310
Operating Subsidies and Transfers to Other Funds	25,000	25,000
Net Cash Provided by (used for) Non-capital Financing Activities	162,933	162,933
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets		
Net Cash Provided by (used for) Capital and Related Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends	4	4
Net Cash Provided by (used for) Investing Activities	4	4
Net Increase (Decrease) in Cash and Cash Equivalents	65,191	65,191
Balances—Beginning of Year	(17,842)	(17,842)
Balances—End of Year	\$ 47,349	\$ 47,349
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating Income (Loss)	\$ (128,821)	\$ (128,821)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities		
Depreciation and Net Amortization	863	863
Food Distribution Program	13,669	13,669
(Increase)/Decrease in Accounts Receivable, Net	14,770	14,770
(Increase)/Decrease in Inventory	(58)	(58)
Increase/(Decrease) in Accounts Payable	945	945
Increase/(Decrease) in Deferred Revenue	886	886
Total Adjustments	31,075	31,075
Net Cash Provided by (used for) Operating Activities	\$ (97,746)	\$ (97,746)

Noncash Noncapital Financing Activities:

During the year, the District received \$13,669 of Food Commodities from the U. S. Department of Agriculture

The accompanying Notes to Financial Statements are an integral part of this statement.

FIDUCIARY FUNDS

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	Unemployment Compensation Insurance Trust		Agency Funds	
			Student Activity	Payroll
ASSETS				
Cash and Cash Equivalents	\$ 66,308	\$ 19,321	\$ 61,969	
Cash from Fiscal Agent				2,487
Due from Payroll Agency Account	6,386			
Total Assets	<u>72,694</u>		<u>19,321</u>	<u>64,456</u>
LIABILITIES				
Accounts Payable	1,878			
Due to Unemployment Account				6,386
Due to General Fund				2,000
Payable to Student Groups		19,321		
Flexible Spending Reserve				487
Payroll Deductions and Withholdings				55,583
Total Liabilities	<u>1,878</u>	<u>\$ 19,321</u>		<u>\$ 64,456</u>
NET POSITION				
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 70,816</u>			

The accompanying Notes to Financial Statements are an integral part of this statement.

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Insurance Trust
ADDITIONS	
Contributions - Employee	\$ 24,283
Interest Earnings	29
	<hr/>
Total Additions	24,312
	<hr/>
DEDUCTIONS	
Unemployment Claims	18,432
	<hr/>
Total Deductions	18,432
	<hr/>
Change in Net Position	5,880
Net Position—Beginning of the Year	64,936
	<hr/>
Net Position—End of the Year	\$ 70,816
	<hr/> <hr/>

The accompanying Notes to Financial Statements are an integral part of this statement.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

A. Description of Reporting Entity:

The Borough of Runnemede School District (School District) is a Type II School District located in the County of Camden, State of New Jersey and covers an area of approximately two square miles. As a Type II School District, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for all of Runnemede's students in grades K through 8. Student in grades 9 through 12 attend the Black Horse Pike Regional High School District. The Runnemede School District has an approximate enrollment at June 30, 2015 of 870 students.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

B. New Accounting Standards:

- GASB 67, Financial Reporting for Pension Plans, an Amendment of GASB 25, will be effective beginning with the year ending June 30, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision- useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 25, Financial reporting for Deferred Benefit Pension Plans and Note Disclosures for Defined Contribution Plans and No.50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The adoption of GASB 67, however, does not have any impact on the School District's financial statements.
- GASB 68, Accounting and Financial reporting for Pensions, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions hat is provided by other state entities. This Statement replaces the requirements of Statement No.27, Accounting for Pension Disclosures, and Local Governmental Employers, as well as the requirements of Statement No.50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The adoption of GASB 68, will impact the financial statements of the School District's.
- In November 2013, the GASB issued Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68. GASBS 71 is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years beginning after June 15, 2014. The adoption of GASB 71, will impact the financial statements of the School District's.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY (Cont'd)

B. New Accounting Standards (Cont'd):

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 69, Government Combinations and disposals of Government Operations, is effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The District is currently evaluating the impact of the adoption of this Statement on the School District's financial statements, although no impact is expected.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation:

The financial statements of the Board of Education (Board) of the Runnemed School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental funds, provided that they do not conflict with or contradict GASB pronouncements. The more significant of the Board's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and was scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments).

In addition, the School District has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*.

The District's basic financial statements consist of District-Wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

District-Wide Statements - The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. Basis of Presentation: (Cont'd)

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. Elimination's have been made to minimize the double counting of internal activities. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

B. Fund Accounting:

The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GOVERNMENTAL FUNDS - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: (Cont'd)

General Fund - The General Fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non instructional equipment classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities states that General Fund resources may be used to directly finance capital outlays for longlived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenues from the State and Federal Government, other than major capital projects, debt service, or the enterprise funds and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by Proprietary Funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. The School District recorded three new NJSDA Projects during the year in the Capital Projects Fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general-long-term debt principal, interest and related costs.

Permanent Fund - The Permanent Fund is used to account for resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the School District's programs, that is, for the benefit of the school district or its students. The School District does not maintain a Permanent Fund.

PROPRIETARY FUNDS - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

Enterprise Funds - These funds are used to account for operations:

That are financed in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or where the School District has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: (Cont'd)

PROPRIETARY FUNDS (CONT'D)

Food Service Fund - The School District's only enterprise funds is the Food Service Fund, which accounts for the financial transactions related to the food service operations of the School District.

During the 2014-15 school year, the District entered into a vended meal contract with Black Horse Pike Regional School District. This includes a management fee of \$500 per month.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into investment in capital assets, net of related debt, and unrestricted net position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund Equipment	12 Years
Light Trucks and Vehicles	4 Years

FIDUCIARY FUNDS - Fiduciary Fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Unemployment Compensation Insurance Fund is an Expendable Trust Fund.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a Nonexpendable Trust Fund.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FIDUCIARY FUNDS (CONT'D)

C. Measurement Focus:

District-Wide Financial Statements - Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-Wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Position, with the exception of the Fiduciary Funds.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-Wide financial statements are prepared. Governmental Fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the District-Wide statements and the statements for governmental funds.

Like the District-Wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The Statement of Changes in Fund Net Position presents increases (i.e. revenues) and decreases (i.e. expenses) in net position. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. District-Wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Basis of Accounting: (Cont'd)

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measureable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the resources are provided to the School District on a reimbursement basis. The restricted formula aids (i.e. Demonstrably Effective Program Aid and Instructional Supplement Program Aid) are recorded in the special revenue fund in accordance with the Audit Program promulgated by the New Jersey Department of Education which requires that these grants be realized in an amount equal to program expenditures.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2015.

F. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

F. Budgets/Budgetary Control: (Cont'd)

Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2 (f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund, as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1 and C-2, include all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the General Fund Budgetary Comparison schedule and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows the modified accrual basis, with the exception of the recognition policy for the last state aid payment.

G. Encumbrance Accounting:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the School District has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

H. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments state at cost. All other investments would be stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions of which they may invest. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School Districts as follows:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the School District.

School Districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2013 the District had no funds on deposit with the New Jersey Cash Management.

Deposits:

N.J.S.A. 17:9-41, et seq. establishes requirements for the security of deposits of governmental units. The statutes require that School Districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office on the state of New Jersey, the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to Governmental Units.

The School District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

I. Tuition Receivable:

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

J. Tuition Payable:

Tuition charges for the fiscal years ended June 30, 2015, 2014 and 2013 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

K. Inventories:

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

On District-Wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used.

There was no Federal Commodity Inventory balance as of June 30, 2015, maintained at the Black Horse Pike Regional School District that provides meals to the Runnemede School District, on a vended meal contract basis. The Food Service inventory as of June 30, 2015 consisted of \$0 in purchased food and \$276 in supplies.

L. Prepaid Expenses:

Prepaid expenses recorded on the District-Wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required. This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

M. Short-Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable.

N. Restricted Assets:

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation. Restricted assets include bond proceeds to be used for capital construction and amounts set aside to create a reserve for future capital projects.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

O. Deferred Charges - Bond Issue Costs:

On the District-wide financial statements, bond issue costs were previously deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. In governmental funds, these costs are reported as expenditures when the related liability is incurred. Unearned revenue arises when assets are received or recognized before the appropriate revenue recognition criteria have been satisfied. Beginning in the 2013-14 year the District will expense bond issue costs when incurred.

P. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the District-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the District-Wide Statement of Net Position and the Proprietary Fund Statement of Net Position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are valued at their estimated fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated in the District-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
School Buildings	50 Years	N/A
Building Improvements	50 Years	N/A
Site Improvements	20 Years	N/A
Machinery and Equipment	5-20 Years	12 Years

Q. Unearned Revenue:

Unearned revenue arises when assets are received or recognized before the appropriate revenue recognition criteria have been satisfied. This includes expenditure encumbrances in special revenue fund.

R. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

S. Compensated Absences:

The School District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The entire compensated absence liability is reported on the District-Wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

T. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the district-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, contractually required pension contributions, special termination benefits and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

U. Net Position:

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

V. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation for expenditures. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, legally restricted appropriations, excess surplus and capital reserve program.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

W. Interfund Activity:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are presented on the financial statements.

X. Management Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Accordingly, actual results may differ from those estimates.

Y. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Z. Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

AA. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

As of June 30, 2015, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and</u> <u>Equivalents</u>
Checking accounts	\$ 4,008,393
Cash with Fiscal Agent	2,487
Total	\$ <u>4,010,880</u>

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be recovered. Although the District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2015, the District's bank balance of \$4,183,911 was insured or collateralized as follows:

Insured by Depository Insurance	\$	252,487
Collateralized under GUDPA		3,931,424
Total	\$	<u>4,183,911</u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Runnemede Board of Education on June 30, 2008 for accumulating funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects reflected in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the Capital Reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$	1,369,944
2014-15 Addition		500,000
Interest Earnings		475
		<u>1,870,419</u>
Less: Transfers Out		
Ending Balance, June 30, 2015	\$	<u>1,870,419</u>

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4. CAPITAL RESERVE ACCOUNT (CONT'D)

Of this balance, \$1,493,409 utilized in the 2015-16 budget in order to fund certain capital projects.

The June 30, 2015 LRFP balance of local support costs of uncompleted capital projects at June 30, 2015 is \$7,389,180. There were no withdrawals from the capital reserve for use in a DOE approved facilities projects during the year under audit. Consistent with the District's Long Range Facilities Plan, projects are planned in the near future.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 29,083	\$ -	\$ -	\$ 29,083
Construction in Progress				
Total Capital Assets not being Depreciated	<u>29,083</u>			<u>29,083</u>
Site Improvements	345,106			345,106
Building and Building Improvements	5,657,015			5,657,015
Equipment	754,550	74,359	(3,500)	825,409
Totals at Historical Cost	<u>6,756,671</u>	<u>74,359</u>	<u>(3,500)</u>	<u>6,827,530</u>
Less Accumulated Depreciation for :				
Site Improvements	(294,923)	(10,000)		(304,923)
Building and Improvements	(2,493,735)	(131,100)		(2,624,835)
Equipment	(392,899)	(63,684)	3,500	(453,083)
Total Accumulated Depreciation	<u>(3,181,557)</u>	<u>(204,784)</u>	<u>3,500</u>	<u>(3,382,841)</u>
Total Capital Assets being Depreciated, Net of Accumulated Depreciation	<u>3,575,114</u>	<u>(130,425)</u>		<u>3,444,689</u>
Government Activities Capital Assets, Net	<u><u>\$ 3,604,197</u></u>	<u><u>\$ (130,425)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,473,772</u></u>
	To A-1			To A-1
Business-Type Activities - Equipment	\$ 14,597	\$ -	\$ -	\$ 14,597
Less Accumulated Depreciation	(8,433)	(863)		(9,296)
Business-Type Activities Capital Assets, Net	<u><u>\$ 6,164</u></u>	<u><u>\$ (863)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,301</u></u>

Depreciation Expense in the amount of \$204,784 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 17,394
Plant Operations	12,106
Central Administration	12,207
Unallocated	163,077
	<u><u>\$ 204,784</u></u>

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2015 the following changes occurred in long-term obligations:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
Governmental Activities:						
Bonds Payable:						
General Obligation Debt	\$	\$	\$	\$	\$	\$
Total Bonds Payable						
Other Liabilities:						
Compensated Absences Payable	389,340		37,424	351,916	27,738	324,178
Total Other Liabilities	\$ 389,340	\$	\$ 37,424	\$ 351,916	\$ 27,738	\$ 324,178
Business-Type Activities:						
Compensated Absences Payable	\$	\$	\$	\$	\$	\$

A. Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the School District through referendums. All bonds are retired in serial installments within the statutory period of usefulness.

All bonds were paid-off during the 2011-2012 school year. Therefore, no principal and interest due on bonds is outstanding as of June 30, 2015.

B. Bonds Authorized But Not Issued - As of June 30, 2015 None.

C. Capital Leases None.

NOTE 7. OPERATING LEASES

At June 30, 2015, the District had approved operating lease agreements for copiers, iPads and carts, with payments made in the 2014-2015 school year. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 22,849
2017	11,274
2018	8,072
	<u>\$ 42,195</u>

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following defined benefit pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits: the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publically available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.L. Box 295, Trenton, New Jersey, 08625-0295.

Significant Legislation - P.L. 2011, c. 78, effective October 2011, set new employee contribution requirements towards the cost of employer provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this legislation's effective date with a minimum contribution required to be at least 1.5 percent of salary.

Teachers' Pension and Annuity Fund – The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members are required to contribute 5.5% of the annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution has been required over several preceding fiscal years.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at a fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$1,545,058 and revenue of \$1,545,058 for support provided by the State.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8. PENSION PLANS (CONT'D)

Public Employees' Retirement System – The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5.5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability.

Three-Year Trend Information for PERS

<u>Year of Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/15	\$ 133,472	100%	\$ 133,472
6/30/14	131,394	100	131,394
6/30/13	123,756	100	123,756

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/15	\$ 749,428	100%	\$ 0
6/30/14	599,918	100	0
6/30/13	704,223	100	0

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$289,634 to the TPAF for Pension Contributions and \$459,794 for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$391,797 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8. PENSION PLANS (CONT'D)

Public Employees' Retirement System (cont'd)

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$156,057. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Changes of assumptions	181,046	
Net difference between projected and actual earnings on pension plan investments		180,649
Changes in proportion and differences between District contributions and proportionate share of contributions		
District contributions subsequent to the measurement date	133,472	
Total	\$ 314,518	\$ 180,649

\$133,472 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Additional Information

Collective balances at June 30, 2013 and 2014 are as follows:

	<u>6/30/2014</u>	<u>6/30/2013</u>
Collective deferred outflows of resources	\$ 1,032,618,058	\$
Collective deferred inflows of resources	1,726,631,532	
Collective net pension liability	14,665,837,859	15,190,834,283
District's Proportion	0.0161904822	0.0156594822

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014 there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The state paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of the post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

NOTE 10. COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreement with the various employee unions.

In the District-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to employees. As of June 30, 2014, a liability existed for compensated absences in the governmental fund in the amount \$351,916.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by an outside organization, approved by the School District, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The School District has very little administrative involvement, performs no investing function, and has no fiduciary responsibility for these plans. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, are solely the property and rights of the participants and are not subject to claims of the School District's creditors. Accordingly, the plan assets are not reported as a part of these financial statements. The plan administrators are as follows:

Aetna	Lincoln Investment Planning
Fidelity Investments	Vanguard AXA Equitable

NOTE 12. CONTINGENCIES

The School District participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

The School District is dependent on the State of New Jersey for a substantial portion of its operating funds. Due to funding uncertainties at the State level, funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the School District's future operation is not yet determinable.

NOTE 13. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

Property and Liability Insurance - The School District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Joint Insurance Pool- The School District is a member of the New Jersey School Boards Association Insurance Group, a public entity risk pool currently operating as a common risk management and insurance program. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if any. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13. RISK MANAGEMENT (CONT'D)

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State. The School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$	\$ 24,312	\$ 18,432	\$ 70,816
2013-2014		17,561	23,064	64,936
2012-2013		16,100	34,077	70,439

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

<u>Fiscal Year</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,395	\$
Payroll Agency		2,000
Food Service Fund		395
Total	\$ 2,395	\$ 2,395

NOTE 15. FUND BALANCE APPROPRIATED

General Fund - Of the \$3,876,871 General Fund balance at June 30, 2015, \$26,388 is assigned for Encumbrances; \$1,870,419 has been restricted in the Capital Reserve Account, of which \$1,493,409 has been appropriated and also included as anticipated revenue for the year ending June 30, 2016 ; \$700,000 is restricted for Maintenance Reserve, of which \$0 has been appropriated and also included as anticipated revenue for the year ending June 30, 2015; \$1,383,328 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$716,546 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2016); \$24,976 has been assigned, appropriated and included as anticipated revenue for the year ending June 30, 2016); and there is a Deficit in unreserved and undesignated fund balance of (\$128,240).

Debt Service Fund –There is no fund balance in the Debt Service Fund at June 30, 2015.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (S1,701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$1,383,328 and \$666,782 must be budgeted in the 2016-17 budget.

NOTE 17. DEFICIT FUND BALANCES

The District has a deficit in Unrestricted fund balance of \$128,240 in the General Fund and no deficit in the Special Revenue Fund as of June 30, 2015 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the deficit in the General Fund balance does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2, any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District's general fund deficit is less than the last state aid payment of \$462,683.

NOTE 18. RECEIVABLES

Receivables at June 30, 2015 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds. Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General	Special	Proprietary	
<u>Receivables:</u>	<u>Fund</u>	<u>Revenue</u>	<u>Funds</u>	<u>Total</u>
Federal	\$	\$ 8,852	\$ 8,081	\$ 16,933
State	141,435		213	141,648
Other Governmental Units	8,068			8,068
Other			645	645
Totals	\$ 149,503	\$ 8,852	\$ 8,939	\$ 167,294

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 19. LITIGATION

The District is not involved in any lawsuit incidental to its operations and the administration and legal council are not aware of any matters pending or threatened, which are likely to have a material adverse effect on the financial position of the District.

NOTE 20. SUBSEQUENT EVENTS

There were no other events noted, between the year-end and the date of the audit report, requiring disclosure.

NOTE 21. RETRO ACTIVE RESTATEMENT OF NET POSITION

Restatement of Prior Period

The District adopted GASB No. 68 - Accounting and Financial Reporting for Pensions - An amendment of GASB No. 27 during the 2015 fiscal year as required by the pronouncement. The pronouncement requires the district to record its proportional share of the State of New Jersey's net pension liability on the face of its financial statements as of June 30, 2015 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the adjustments to Net Position relate to the beginning net pension liability measured as of June 30, 2013. Also, in accordance with GASB No. 71- Pension Transition for Contributions Made Subsequent to the Measurement Date, the district restated to its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2013 (deferred outflows).

Beginning net position as previously reported at June 30, 2014	\$6,188,096
Prior Period Adjustment - Implementation GASB 68:	
Net Pension Liability (measurement date)	(2,992,838)
Net Deferred Outflows	<u>117,991</u>
Net Position as restated, July 1, 2014	<u>\$3,313,249</u>

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 6,762,600	\$ -	\$ 6,762,600	\$ 6,762,600	\$ -
Tuition From Individuals	15,000		15,000	46,760	31,760
Tuition From Other LEAS				33,384	33,384
Interest on Investments	1,250		1,250	595	(655)
Interest Earned on Capital Reserve	475		475	475	
Miscellaneous				38,062	38,062
Total - Local Sources	6,779,325		6,779,325	6,881,876	102,551
State Sources:					
Equalization Aid	4,192,794		4,192,794	4,192,794	
Special Education Aid	474,234		474,234	474,234	
School Choice	64,984		64,984	40,615	(24,369)
Transportation Aid	17,260		17,260	17,260	
Security Aid	35,985		35,985	35,985	
Under Adequacy Aid	496		496	496	
Additional Adjustment Aid	8,123		8,123	8,123	
PARCC Readiness Aid	7,940		7,940	7,940	
Per Pupil Growth Aid	7,940		7,940	7,940	
Extraordinary Aid	35,000		35,000	117,007	82,007
Non-Public Transportation				2,436	2,436
On-behalf Pension Contribution				289,634	289,634
On-behalf TPAF Post Retirement Medical Contribution				459,794	459,794
Reimbursement TPAF Social Security				391,797	391,797
Homeless Tuition Aid				2,783	2,783
Total - State Sources	4,844,756		4,844,756	6,048,838	1,204,082
Federal Sources:					
Medicaid Reimbursement	12,895		12,895	30,087	17,192
Total - Federal Sources	12,895		12,895	30,087	17,192
TOTAL REVENUES	\$ 11,636,976	\$ -	\$ 11,636,976	\$ 12,960,801	\$ 1,323,825
EXPENDITURES:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Kindergarten	\$ 276,388	\$ -	\$ 276,388	\$ 273,600	\$ 2,788
Grades 1-5	1,649,126	(83,901)	1,565,225	1,513,733	51,492
Grades 6-8	1,175,561	(3,970)	1,171,591	1,094,022	77,569
Home instruction:					
Salaries of Teachers	8,600		8,600	8,256	344
Regular Programs - Undistributed - Instruction:					
Other Salaries for Instruction	30,985	(15,700)	15,285		15,285
Purchased Prof/Ed Services	3,500		3,500	3,324	176
Purchased Technical Services	42,400	2,479	44,879	38,463	6,416
Other Purchased Services	105,237	(17,361)	87,876	61,446	26,430
General Supplies	217,735	62,984	280,719	262,495	18,224
Textbooks	2,050		2,050	205	1,845
Total Regular Programs	3,511,582	(55,469)	3,456,113	3,255,544	200,569

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENSES: (Continued)					
Special Education					
Multiple Disabilities:					
Salaries of Teachers	\$ 57,686	\$ 24,900	\$ 82,586	\$ 82,253	\$ 333
Other Salaries for Instruction	75,286	(17,187)	58,099	54,731	3,368
General Supplies	9,485	(5,000)	4,485	1,896	2,589
Total Multiple Disabilities	142,457	2,713	145,170	138,880	6,290
Resource Room:					
Salaries of Teachers	802,582	(19,996)	782,586	780,684	1,902
Other Salaries for Instruction	100,463	52,479	152,942	152,526	416
General Supplies	1,279	118	1,397	1,365	32
Total Resource Room	904,324	32,601	936,925	934,575	2,350
Preschool Disabilities - Part Time:					
Salaries of Teachers	117,989	(14,977)	103,012	103,012	
Other Salaries for Instruction	80,537	3,691	84,228	75,828	8,400
General Supplies	929	(18)	911	305	606
Other Objects		2,500	2,500	1,054	1,446
Total Preschool Disabilities	199,455	(8,804)	190,651	180,199	10,452
TOTAL SPECIAL EDUCATION	1,246,236	26,510	1,272,746	1,253,654	19,092
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	178,021	71,016	249,037	247,288	1,749
General Supplies	809		809	453	356
Total Basic Skills/Remedial-Instruction	178,830	71,016	249,846	247,741	2,105
Bilingual Education-Instruction					
Salaries of Teachers	21,449	(12,412)	9,037		9,037
Total Bilingual Education-Instruction	21,449	(12,412)	9,037		9,037
School Sponsored Co-curricular Activities:					
Salaries	24,023	(3,010)	21,013	21,013	
Supplies and Materials	4,835		4,835	2,165	2,670
Total School Sponsored Co-curricular Activities	28,858	(3,010)	25,848	23,178	2,670
School Sponsored Athletics:					
Salaries	36,378	1,756	38,134	29,614	8,520
Supplies and Materials	3,761	(3,152)	609	586	23
Other Objects	4,900	1,694	6,594	6,594	
Total School Sponsored Athletics	45,039	298	45,337	36,794	8,543
Total Instruction	5,031,994	26,933	5,058,927	4,816,911	242,016
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	12,000	8,625	20,625	20,424	201
Tuition - Other LEAs Within the State - Special	20,731		20,731	12,930	7,801
Tuition - Co Spec Serv and Regional Day Schools	409,860	(8,625)	401,235	346,230	55,005
Tuition to Private Schools for the Disabled Within State	45,287		45,287	34,287	11,000
Total Undistributed Expenditures - Instruction	487,878		487,878	413,871	74,007

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENDITURES: (Continued)					
Health Services:					
Salaries	\$ 172,670	\$ (8,070)	\$ 164,600	\$ 164,600	\$ -
Purch Prof/ Tech Services	9,275	6,886	16,161	16,161	
Other Purchased Services	1,335	(250)	1,085	706	379
Supplies and Materials	3,987	5,591	9,578	8,920	658
Total Health Services	187,267	4,157	191,424	190,387	1,037
Speech, OT, PT & Related Services					
Salaries	150,686	(45,074)	105,612	105,612	
Purchased Professional - Educational Services	45,700	12,548	58,248	58,248	
Supplies and Materials	2,923	(100)	2,823	1,200	1,623
Total Related Services	199,309	(32,626)	166,683	165,060	1,623
Other Support Services - Students - Extra Services:					
Salaries	107,000	(1,575)	105,425	102,683	2,742
Purchased Prof Ed Services	48,959	4,548	53,507	53,507	
Supplies and Materials	1,700		1,700	1,425	275
Total Extra Services	157,659	2,973	160,632	157,615	3,017
Guidance:					
Salaries Other Professionals	149,238	3,312	152,550	152,550	
Salaries Secretarial and Clerical Assistants		2,024	2,024		2,024
Other Purchased Professional and Technical Services	450	(450)			
Supplies and Materials	2,024	(2,024)			
Total Guidance	151,712	2,862	154,574	152,550	2,024
Child Study Team					
Salaries of Other Professional Staff	215,476	38,567	254,043	252,663	1,380
Salaries Secr. & Clerical Asst.	30,659	1,952	32,611	32,611	
Purchased Professional - Educational Services	18,000	(644)	17,356	16,040	1,316
Misc Purch Services	1,000	421	1,421	1,274	147
Supplies and Materials	7,022	947	7,969	7,342	627
Other Objects	820	(95)	725	678	47
Total Child Study Teams	272,977	41,148	314,125	310,608	3,517
Improv. Instruction Services/Other Support					
Salary of Supervisor of Instruction	99,000	49,271	148,271	148,271	
Salaries of Other Professional Staff	42,981	(29,998)	12,983	12,983	
Purchased Professional and Educational Services	9,926	(1,871)	8,055	3,727	4,328
Other Purchased Services	500		500	396	104
Supplies and Materials		455	455	455	
Other Objects	189		189	188	1
Total Improvement of Instruction Services/Other Support	152,596	17,857	170,453	166,020	4,433
Educational Media Services/School Library:					
Salaries	69,463	8,352	77,815	74,217	3,598
Salaries of Technology Coordinators	77,359	(1,178)	76,181	76,181	
Purchased Professional and Technical Services	7,385	2,170	9,555	9,438	117
Other Purchased Services	2,345	(1,846)	499		499
Supplies and Materials	13,455	9,520	22,975	22,154	821
Total Educational Media Services/School Library	170,007	17,018	187,025	181,990	5,035

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENSES: (Continued)					
Undistributed Expenditures:					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$ 26,750	\$ (17,772)	\$ 8,978		\$ 8,978
Purchased Professional and Educational Services	8,978	(8,978)			
Other Purchased Services		2,000	2,000	21	1,979
Supplies and Materials	100		100		100
Total Inst. Staff Training Services	35,828	(24,750)	11,078	21	11,057
Support Services General Administration:					
Salaries	200,449		200,449	187,535	12,914
Legal Services	42,300	(8,000)	34,300	4,311	29,989
Audit Fees	18,500	(100)	18,400	17,860	540
Architectural/Engineering Services	4,000		4,000		4,000
Other Purchased Professional Services	4,800	(649)	4,151	3,925	226
Communication/Telephone	57,500	1,805	59,305	26,535	32,770
BOE Other Purchased Prof. Services	3,010	525	3,535	3,471	64
Other Purchased Services	79,301	6,944	86,245	83,800	2,445
General Supplies	4,588	(125)	4,463	2,841	1,622
Miscellaneous Expenditures	2,350	145	2,495	2,495	
BOE Membership Dues and Fees	8,000	(545)	7,455	6,826	629
Total Support Services General Administration	424,798		424,798	339,599	85,199
Support Services School Administration:					
Salaries of Principals/Assistant Principals	249,837	(33,082)	216,755	208,630	8,125
Salaries of Secretarial and Clerical Assistants	109,965	19,427	129,392	129,392	
Other Purchased Services	11,122		11,122	10,781	341
Supplies and Materials	7,538	(325)	7,213	4,461	2,752
Other Objects	3,000	325	3,325	3,325	
Total Support Services School Administration	381,462	(13,655)	367,807	356,589	11,218
Central Services:					
Salaries	175,649	14,493	190,142	177,159	12,983
Purchased Professional Services	5,654	(700)	4,954		4,954
Purchased Technical Services	2,795		2,795	2,695	100
Miscellaneous Purchased Services	517	(214)	303	60	243
Supplies and Materials	5,045	(304)	4,741	4,555	186
Interest on Bond Anticipation Notes (BANs)	10,100		10,100		10,100
Miscellaneous Expenditures	1,299	221	1,520	1,432	88
Total Central Services	201,059	13,496	214,555	185,901	28,654
Admin. Info. Technology:					
Salaries	20,500	(860)	19,640		19,640
Purchased Technical Services	934	9,425	10,359	10,359	
Other Purchased Services	5,599	(3,605)	1,994	1,710	284
Supplies and Materials	3,700	(2,000)	1,700	1,691	9
Total Admin. Info. Technology	30,733	2,960	33,693	13,760	19,933
Required Maintenance for School Facilities:					
Salaries	54,503		54,503	51,588	2,915
Cleaning, Repair and Maintenance Services	18,580	30,750	49,330	44,708	4,622
General Supplies	36,647		36,647	18,212	18,435
Other Objects	500		500		500
Total Required Maintenance for School Facilities	110,230	30,750	140,980	114,508	26,472

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Other Operation and Maintenance of Plant-Custodial Services:					
Salaries	\$ 290,043	\$ 25,467	\$ 315,510	\$ 312,285	\$ 3,225
Salaries of Non-Instructional Aides	110,711	(34,196)	76,515	60,501	16,014
Purchased Prof & Tech Services	6,990		6,990	6,364	626
Cleaning, Repair and Maintenance Services	7,700	2,500	10,200	10,104	96
Other Purchased Property Services	52,300	2,874	55,174	52,785	2,389
Insurance	6,727	(80)	6,647	4,918	1,729
Other Objects	300	(74)	226	185	41
Miscellaneous Purchased Services	3,000	(1,966)	1,034	1,034	
General Supplies	42,719		42,719	38,881	3,838
Energy (Natural Gas)	84,900	(2,500)	82,400	53,159	29,241
Energy (Electricity)	200,000	(31,469)	168,531	149,751	18,780
Total Other Operation and Maintenance of Plant - Custodial	805,390	(39,444)	765,946	689,967	75,979
Total Operation and Maintenance of Plant Services	915,620	(8,694)	906,926	804,475	102,451
Undistributed Expenditures - Care & Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	17,550		17,550	4,099	13,451
General Supplies	8,700		8,700	8,143	557
Total Care & Upkeep of Grounds	26,250		26,250	12,242	14,008
Undistributed Expenditures - Security:					
Cleaning, Repair and Maintenance Services	13,167	(3,016)	10,151	10,151	
General Supplies	11,990	27,221	39,211	39,211	
Total Security	25,157	24,205	49,362	49,362	
Undistributed Expenditures - Student Transportation Services:					
Management Fee - ESC & CTSA Trans. Program	6,000	500	6,500	6,332	168
Salaries Pupil Trans (Bet Home/School) - Regular		13,000	13,000	12,983	17
Contracted Services (Bet Home/School) - Vendor	60,000	18,807	78,807	78,807	
Contracted Services (Not Bet Home/School) - Vendors	10,525	1,126	11,651	11,601	50
Contracted Services (Sp. Ed. Stds.) - Vendors	123,775	(20,000)	103,775	74,158	29,617
Contracted Services (Reg Students) - ESCs & CTSA	1,000		1,000		1,000
Contracted Services (Special Ed. Students) - ESCs & CTSA	114,000	711	114,711	114,711	
Contracted Services - Aid in Lieu of Payments - Nonpublic	34,500	(15,042)	19,458	11,935	7,523
Other Purch. Prof. & Tech Serv.		898	898	898	
Total Student Transportation Services	349,800		349,800	311,425	38,375
Unallocated Employee Benefits:					
Social Security Contributions	138,000		138,000	122,439	15,561
Other Retirement Contributions	138,240	14,832	153,072	152,988	84
Unemployment Compensation	49,196	(12)	49,184		49,184
Workers Compensation	100,038	412	100,450	100,450	
Health Benefits	2,157,391	(14,370)	2,143,021	1,739,820	403,201
Tuition Reimbursement	24,000		24,000	19,375	4,625
Other Employee Benefits	86,419	(862)	85,557	27,562	57,995
Total Unallocated Employee Benefits	2,693,284		2,693,284	2,162,634	530,650
On-behalf TPAF Pension Contribution				289,634	(289,634)
On-behalf TPAF Post Retirement Medical Contribution				459,794	(459,794)
Reimbursement TPAF Social Security				391,797	(391,797)
Total Personal Services - Employee Benefits	2,693,284		2,693,284	3,303,859	(610,575)
Total Undistributed Expenditures	6,863,396	46,951	6,910,347	7,115,334	(204,987)
TOTAL EXPENDITURES - CURRENT EXPENSE	11,895,390	73,884	11,969,274	11,932,245	37,029

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CAPITAL OUTLAY:					
Increase in Capital Reserve	\$ 200,000	\$ -	\$ 200,000	\$ -	\$ 200,000
	475		475		475
	200,475		200,475		200,475
Undistributed Expenditures:					
Instructional:					
School Sponsored and Other Instructional programs		2,712	2,712	2,712	
Support Services - Related & Extraordinary					
Grades 1-5	7,200		7,200		7,200
Grades 6-8	12,658		12,658		12,658
Admin Info Tech	16,900		16,900		16,900
Undistributed Expenditures - School Administration		2,262	2,262	2,262	
Undistributed Expenditures - Required Maint for School Fac	187,143	(25,666)	161,477	23,258	138,219
Undistributed Expenditures - Custodial Services	9,710		9,710		9,710
Undistributed Expenditures - Care and Upkeep of Grounds	2,500		2,500		2,500
School Buses - Regular		50,000	50,000	46,127	3,873
Total Equipment	236,111	29,308	265,419	74,359	191,060
Facilities Acquisition - Construction Services:					
Total Facilities Acquisition and Construction Services					
TOTAL CAPITAL OUTLAY	436,586	29,308	465,894	74,359	391,535
TOTAL EXPENDITURES	12,331,976	103,192	12,435,168	12,006,604	428,564
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(695,000)	(103,192)	(798,192)	954,197	1,752,389
Other Financing Sources (Uses):					
Operating Transfer out - Food Service Fund	(28,764)		(28,764)	(25,000)	3,764
Transfer from Capital Projects Fund				21,710	21,710
Transfer to Charter School	(9,295)		(9,295)	(9,070)	225
Total Other Financing Sources	(38,059)		(38,059)	(12,360)	25,699
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(733,059)	(103,192)	(836,251)	941,837	1,778,088
Fund Balances, July 1	3,397,717		3,397,717	3,397,717	
Fund Balances, June 30	\$ 2,664,658	\$ (103,192)	\$ 2,561,466	\$ 4,339,554	\$ 1,778,088
<u>RECAPITULATION:</u>					
Restricted Fund Balance:					
Excess Surplus				\$ 666,782	
Excess Surplus - Designated for Subsequent Year's Expenditures				716,546	
Maintenance Reserve				700,000	
Capital Reserve				377,010	
Capital Reserve - Designated for Subsequent Year's Expenditures				1,493,409	
Assigned Fund Balance:					
Year-End Encumbrances				26,388	
Designated for Subsequent Year's Expenditures				24,976	
Unassigned Fund Balance					
				334,443	
				4,339,554	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				(462,683)	
Fund Balance per Governmental Funds (GAAP)				\$ 3,876,871	

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources	\$	\$ 10,276	\$ 10,276	\$ 4,310	\$ 5,966
Federal Sources	448,783	(304,087)	144,696	498,134	(353,438)
State Sources	202,650	322,665	525,315	121,517	403,798
Total Revenues	<u>651,433</u>	<u>28,854</u>	<u>680,287</u>	<u>623,961</u>	<u>56,326</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers	118,905	3,180	122,085	105,543	16,542
Purchased Prof/Tech Services	15,862	(2,506)	13,356	13,356	
Other Purchased Services	216,599	(289)	216,310	212,952	3,358
General Supplies	43,087	(2,358)	40,729	33,769	6,960
Textbooks	10,427		10,427	10,350	77
Other Objects		777	777	777	
Total Instruction	<u>404,880</u>	<u>(1,196)</u>	<u>403,684</u>	<u>376,747</u>	<u>26,937</u>
Support Services					
Purchased Professional & Technical Services - Other	115,219	25,359	140,578	137,911	2,667
Other Purchased Services	129,834	4,039	133,873	107,903	25,970
General Supplies	1,500	652	2,152	1,400	752
Total Support Services	<u>246,553</u>	<u>30,050</u>	<u>276,603</u>	<u>247,214</u>	<u>29,389</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	<u>651,433</u>	<u>28,854</u>	<u>680,287</u>	<u>623,961</u>	<u>56,326</u>
Other Financing Sources (Uses)					
Total Outflows	<u>651,433</u>	<u>28,854</u>	<u>680,287</u>	<u>623,961</u>	<u>56,326</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

RUNNEMEDE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule	[C-1] \$ 12,960,801	[C-2] \$ 623,961
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		6,798
Current Year		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	456,569	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(462,683)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 12,954,687	[B-2] \$ 630,759
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 12,006,604	[C-2] \$ 623,961
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		6,798
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 12,006,604	[B-2] \$ 630,759

REQUIRED SUPPLEMENTARY INFORMATION
PART III

SCHEDULE L-1

**RUNNEMEDE BOARD OF EDUCATION
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
Public Employee's Retirement System**

	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.016190%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 3,031,301
District's Covered-Employee Payroll	\$ 1,233,319
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	245.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

SCHEDULE L-2

**RUNNEMEDE BOARD OF EDUCATION
SCHEDULE OF THE DISTRICT CONTRIBUTIONS**

Public Employee's Retirement System

	<u>2014</u>
Contractually Required Contribution	\$ 133,472
Contributions in Relation to the Contractually Required Contribution	<u>(133,472)</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>
 District's Covered-Employee Payroll	 \$ 1,233,319
 Contributions as a Percentage of Covered-Employee Payroll	 10.82%

SCHEDULE L-3

**RUNNEMEDE BOARD OF EDUCATION
Schedules of Required Supplementary Information**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

Teachers Pension Plan

	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.053724%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,542,597
District's Covered-Employee Payroll	\$ 5,183,302
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	29.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION PART III

RUNNEMEDE BOARD OF EDUCATION

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
Pension Schedules**

For the Fiscal Year Ended June 30, 2015

Teachers' Pension and Annuity Fund (TPAF)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Change of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Change of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

EXHIBIT E-1

(1)

RUNNEMEDE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	NCLB				I.D.E.A. - Part B						
	Title I Part A 2014-15	Title I Part A 2013-14	Title II Part A 2014-15	Title II Part A 2013-14	Basic		Preschool		Sub-Total Per E-1 (2)	Totals	
					2014-15	2013-14	2014-15	2013-14		2015	2014
REVENUES:											
Federal Sources	\$153,058	\$14,987	\$38,234	\$ 9,306	\$254,722	\$15,161	\$11,718	\$ 948	\$ -	\$498,134	\$ 497,021
State Sources									121,517	121,517	100,694
Other									4,310	4,310	2,062
Total Revenues	153,058	14,987	38,234	9,306	254,722	15,161	11,718	948	125,827	623,961	599,777
EXPENDITURES:											
Instruction:											
Salaries of Teachers	90,703	14,840								105,543	95,827
Purchased Prof/Tech Services					11,766	1,590				13,356	24,477
Other Purchased Services					196,642				16,310	212,952	186,618
General Supplies	22,355	147					500	680	10,087	33,769	58,389
Textbooks									10,350	10,350	8,666
Other Objects						142	500	135		777	1,223
Total Instruction	113,058	14,987			208,408	1,732	1,000	815	36,747	376,747	375,200
Support Services:											
Other Salaries											570
Personal Services-Employee Benefits											18,230
Purchased Prof/Tech Services	40,000		23,334	6,424	46,314	12,339	9,500			137,911	105,004
Other Purchased Services			14,152	2,882		438	1,218	133	89,080	107,903	92,133
General Supplies			748			652				1,400	8,640
Total Support Services	40,000		38,234	9,306	46,314	13,429	10,718	133	89,080	247,214	224,577
Facilities Acquisition/Construction:											
Construction Services											
Instructional Equipment											
Total Facilities Acquisition/Construction											
Total Expenditures	\$153,058	\$14,987	\$38,234	\$ 9,306	\$254,722	\$15,161	\$11,718	\$ 948	\$ 125,827	\$623,961	\$ 599,777

RUNNEMEDE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	Non-Public									
	Chapter 192					Chapter 193				
	Textbook Aid	Nursing Aid	Technology Aid	Compensatory Education	Transportation	Corrective Speech	Examination and Classification	Supplemental Instructional Aid	Municipal Alliance	Box Tops For Education
										Totals
REVENUES:										
Federal Sources										\$ -
State Sources	\$10,350	\$16,597	\$ 5,490	\$ 45,059	\$ 3,958	\$ 8,305	\$ 17,476	\$ 14,282		121,517
Other									\$ 108	4,310
Total Revenues	10,350	16,597	5,490	45,059	3,958	8,305	17,476	14,282	108	125,827
EXPENDITURES:										
Instruction:										
Other Purchased Services		16,310								16,310
General Supplies		287	5,490						108	10,087
Textbooks	10,350									10,350
Total Instruction	10,350	16,597	5,490						108	36,747
Support Services:										
Other Purchased Services				45,059	3,958	8,305	17,476	14,282		89,080
Total Support Services				45,059	3,958	8,305	17,476	14,282		89,080
Facilities Acquisition/Construction:										
Instructional Equipment										
Total Facilities Acquisition/Construction										
Total Expenditures	\$10,350	\$16,597	\$ 5,490	\$ 45,059	\$ 3,958	\$ 8,305	\$ 17,476	\$ 14,282	\$ 108	\$ 125,827

CAPITAL PROJECTS FUND DETAIL STATEMENTS

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

EXHIBIT F-1

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2015

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Unexpended Balance June 30, 2015</u>
			<u>Prior Years</u>	<u>Current Year</u>		
School Security System, Telecommunications, Roof and Emergency Generator Upgrades:						
Bingham School	6/3/10	\$ 420,311	\$ 400,840	\$	\$ 19,471	\$
Downing School	6/3/10	318,625	318,625			
Mary E. Volz School	6/3/10	225,000	212,380		12,620	
		<u>\$ 963,936</u>	<u>\$ 931,845</u>	<u>\$</u>	<u>\$ 32,091</u>	<u>\$</u>

EXHIBIT F-2

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

Revenues and Other Financing

Sources

State Sources - SDA Grant	\$	
Interest		

Total Revenues		<hr/>
		<hr/>

Expenditures and Other Financing Uses

Architectural Costs		
Construction Services		

Total Expenditures		<hr/>
		<hr/>

Excess (Deficiency) of Revenues Over (Under) Expenditures

Fund Balance - Beginning		32,091
--------------------------	--	--------

Less:

Cancellation of SDA Receivable	(10,381)
Cancellation of Unexpended Balance to Capital Outlay	(21,710)

Fund Balance - Ending	\$	<hr/> <hr/>
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RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES
PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
BINGHAM SCHOOL SECURITY SYSTEM, TELECOMMUNICATIONS, ROOF
AND EMERGENCY GENERATOR UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 224,392	\$ (8,726)	\$ 215,666	\$ 215,666
Transfer from Capital Outlay	116,600	(10,745)	105,855	105,855
Transfer from Capital Reserve Funds	79,319		79,319	79,319
Total Revenues	420,311	(19,471)	400,840	400,840
Expenditures and Other Financing Uses				
Architectural Costs	37,002		37,002	37,002
Construction Services	363,838		363,838	383,309
Total Expenditures	400,840		400,840	420,311
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 19,471	\$ (19,471)	\$	

Additional Project Information:

Project Number	4590-020-09-1002
Grant Date/Letter of Notification	6/3/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	\$420,311
Additional Authorized Cost	(\$19,471)
Revised Authorized Cost	\$400,840
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	11/12/2010
Revised Target Completion Date	11/1/2011

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES
PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
DOWNING SCHOOL SECURITY SYSTEM, TELECOMMUNICATIONS, ROOF
AND EMERGENCY GENERATOR UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 170,104	\$	\$ 170,104	\$ 170,104
Transfer from Capital Outlay	148,521		148,521	148,521
Total Revenues	318,625		318,625	318,625
Expenditures and Other Financing Uses				
Architectural Costs	27,751		27,751	81,870
Construction Services	290,874		290,874	236,755
Total Expenditures	318,625		318,625	318,625
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$

Additional Project Information:

Project Number	4590-020-09-1003
Grant Date/Letter of Notification	6/3/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	\$318,625
Additional Authorized Cost	\$0
Revised Authorized Cost	\$318,625
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	11/12/2010
Revised Target Completion Date	11/1/2011

EXHIBIT F-2C

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUE, EXPENDITURES
PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
MARY E. VOLZ SCHOOL SECURITY SYSTEM, TELECOMMUNICATIONS, ROOF
AND EMERGENCY GENERATOR UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 120,121	\$ (1,655)	\$ 118,466	\$ 118,466
Transfer from Capital Outlay	104,879	(10,965)	93,914	93,914
Transfer from Capital Reserve Funds				
Total Revenues	225,000	(12,620)	212,380	212,380
Expenditures and Other Financing Uses				
Architectural Costs	18,708		18,708	18,708
Construction Services	193,672		193,672	193,672
Total Expenditures	212,380		212,380	212,380
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 12,620	\$ (12,620)	\$	\$

Additional project information:

Project Number	4590-020-09-1004
Grant Date/Letter of Notification	6/3/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	\$212,380
Additional Authorized Cost	(\$12,620)
Revised Authorized Cost	\$212,380
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	11/12/2010
Revised Target Completion Date	11/1/2011

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

RUNNEMEDE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015 AND 2014

	Food Service Enterprise Fund	Totals	
		2015	2014
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 47,349	\$ 47,349	\$ (17,842)
Accounts Receivable:			
State	213	213	550
Federal	8,081	8,081	21,438
Other	645	645	1,721
Inventory	276	276	218
Total Current Assets	<u>56,564</u>	<u>56,564</u>	<u>6,085</u>
Fixed Assets:			
Equipment	14,597	14,597	14,597
Accumulated Depreciation	(9,296)	(9,296)	(8,433)
Total Fixed Assets	<u>5,301</u>	<u>5,301</u>	<u>6,164</u>
Total Assets	<u>61,865</u>	<u>61,865</u>	<u>12,249</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	945	945	
Interfund Payable	395	395	395
Unearned Revenue	3,166	3,166	2,280
Total Current Liabilities	<u>4,506</u>	<u>4,506</u>	<u>2,675</u>
NET POSITION:			
Invested in Capital Assets Net of Related Debt	5,301	5,301	6,164
Unrestricted	52,058	52,058	3,410
Total Net Position	<u>\$ 57,359</u>	<u>\$ 57,359</u>	<u>\$ 9,574</u>

RUNNEMEDE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2015 AND 2014

	Food Service Enterprise Fund	Totals	
		2015	2014
OPERATING REVENUES:			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 47,114	\$ 47,114	\$ 43,545
School Breakfast Program	952	952	1,331
Total Daily Sales - Reimbursable Programs	48,066	48,066	44,876
Daily Sales Non-Reimbursable Programs	44,040	44,040	28,290
Total Operating Revenue	92,106	92,106	73,166
OPERATING EXPENSES:			
Salaries	62,522	62,522	104,964
Employee Benefits	8,808	8,808	4,171
Supplies and Materials	1,283	1,283	12,988
Cost of Sales	142,451	142,451	104,012
Depreciation	863	863	837
Management Fee	5,000	5,000	10,500
Repairs and Other Expenses			19,543
Total Operating Expenses	220,927	220,927	257,015
Operating Income (Loss)	(128,821)	(128,821)	(183,849)
Non-Operating Revenues:			
State Sources:			
State School Lunch Program	2,623	2,623	2,379
Federal Sources:			
School Breakfast Program	28,668	28,668	16,702
National School Lunch Program	106,642	106,642	92,245
Food Distribution Program	13,669	13,669	10,551
Interest	4	4	4
Total Non-Operating Revenues	151,606	151,606	121,881
Net Income before Operating Transfers	22,785	22,785	(61,968)
Operating Transfer In (Out)	25,000	25,000	23,500
Net Income	47,785	47,785	(38,468)
Net Position - July 1	9,574	9,574	48,042
Net Position - June 30	\$ 57,359	\$ 57,359	\$ 9,574

RUNNEMEDE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2015 AND 2014

	Food Service Enterprise Fund	Totals	
		2015	2014
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 92,106	\$ 92,106	\$ 73,166
Payments to Employees	(62,522)	(62,522)	(104,964)
Payments for Employee Benefits	(8,808)	(8,808)	(4,171)
Payments to Suppliers	(118,522)	(118,522)	(161,803)
Net Cash Provided by (Used for) Operating Activities	(97,746)	(97,746)	(197,772)
Cash Flows from Non-Capital Financing Activities			
State Sources	2,623	2,623	2,379
Federal Sources	135,310	135,310	108,947
Operating Subsidies and Transfers to Other Funds	25,000	25,000	23,500
Net Cash Provided by (Used for) Operating Activities	162,933	162,933	134,826
Cash Flows from Capital and Related Financing Activities			
Purchases of Capital Assets			
Net Cash Provided by (Used for) Capital and Related Financing Activities			
Cash Flows from Investing Activities			
Interest and Dividends	4	4	4
Net Cash Provided by (Used for) Investing Activities	4	4	4
Net Increase (Decrease) in Cash and Cash Equivalents	65,191	65,191	(62,942)
Balances - Beginning of Year	(17,842)	(17,842)	45,100
Balances - End of Year	\$ 47,349	\$ 47,349	\$ (17,842)
Operating Income (Loss)	\$ (128,821)	\$ (128,821)	\$ (183,849)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:			
Depreciation	863	863	837
Food Distribution Program	13,669	13,669	10,551
Change in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	14,770	14,770	(15,276)
(Increase)/Decrease in Inventory	(58)	(58)	20
Increase/(Decrease) in Accounts Payable	945	945	(7,120)
Increase/(Decrease) in Interfund Payable			(4,565)
Increase/(Decrease) in Unearned Revenue	886	886	1,630
Total Adjustments	31,075	31,075	(13,923)
Net Cash Used by Operating Activities	\$ (97,746)	\$ (97,746)	\$ (197,772)

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the School District for a specific purpose.

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governments an/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the School District.

RUNNEMEDE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	<u>Expendable</u>		<u>Agency</u>		<u>Total</u>	
	<u>Trust</u>		<u>Student</u>		<u>2015</u>	<u>2014</u>
	<u>Unemployment</u>		<u>Activity</u>	<u>Payroll</u>		
	<u>Compensation</u>					
ASSETS:						
Cash and Cash Equivalents	\$ 66,308	\$ 19,321	\$ 61,969	\$ 147,598	\$ 190,496	
Cash with Fiscal Agent			2,487	2,487		
Due from Payroll Agency Account	6,386			6,386		
Due from General Fund						1,341
Total Assets	<u>\$ 72,694</u>	<u>\$ 19,321</u>	<u>\$ 64,456</u>	<u>\$ 156,471</u>	<u>\$ 191,837</u>	
LIABILITIES AND NET POSITION:						
Liabilities:						
Payroll Deductions and Withholdings	\$	\$	\$ 55,583	\$ 55,583	\$ 112,489	
Due to Unemployment Account			6,386	6,386		
Due to General Fund			2,000	2,000		
Flexible Spending Reserve			487	487		
Accounts Payable	1,878			1,878		
Due to Student Groups		19,321		19,321	14,412	
Total Liabilities	<u>1,878</u>	<u>19,321</u>	<u>64,456</u>	<u>85,655</u>	<u>126,901</u>	
Net Position:						
Held in Trust for Unemployment						
Claims and Other Purposes	70,816			70,816	64,936	
	<u>70,816</u>			<u>70,816</u>	<u>64,936</u>	
Total Liabilities and						
Net Position	<u>\$ 72,694</u>	<u>\$ 19,321</u>	<u>\$ 64,456</u>	<u>\$ 156,471</u>	<u>\$ 191,837</u>	

RUNNEMEDE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015 AND 2014

	Expendable Trust		
	Unemployment Funds	Total 2015	Total 2014
ADDITIONS:			
Employee Deductions	\$ 24,283	\$ 24,283	\$ 17,527
Interest on Investments	29	29	34
Total Additions	24,312	24,312	17,561
DEDUCTIONS:			
Unemployment Compensation Claims	18,432	18,432	23,064
Total Deductions	18,432	18,432	23,064
Change in Net Position	5,880	5,880	(5,503)
Net Position - Beginning of the Year	64,936	64,936	70,439
Net Position - End of the Year	\$ 70,816	\$ 70,816	\$ 64,936

RUNNEMEDE BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1,</u> <u>2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u> <u>6/30/15</u>	<u>Balance</u> <u>June 30,</u> <u>2015</u>
ELEMENTARY SCHOOLS					
Bingham School	\$ 4,570	\$ 4,329	\$ 5,349	\$	\$ 3,550
Downing School	3,641	5,875	4,195		5,321
Volz School	6,201	34,757	30,508		10,450
TOTAL ALL SCHOOLS	\$ 14,412	\$ 44,961	\$ 40,052	\$	\$ 19,321

RUNNEMEDE BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>7/1/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/15</u>
ASSETS:				
Cash and Cash Equivalents	\$ 111,148	\$ 6,454,248	\$ 6,503,427	\$ 61,969
Cash with Fiscal Agent		4,537	2,050	2,487
Due from General Fund	1,341		1,341	
	<u>112,489</u>	<u>6,458,785</u>	<u>6,506,818</u>	<u>64,456</u>
Total Assets	<u>\$ 112,489</u>	<u>\$ 6,458,785</u>	<u>\$ 6,506,818</u>	<u>\$ 64,456</u>
LIABILITIES:				
Net Payroll	\$	\$ 4,475,985	\$ 4,475,985	\$
Payroll Deductions and				
Withholdings	112,489	1,971,877	2,028,783	55,583
Due to Unemployment Trust Account		6,386		6,386
Due to General Fund		2,000		2,000
Flexible Spending Reserve		2,537	2,050	487
	<u>112,489</u>	<u>6,458,785</u>	<u>6,506,818</u>	<u>64,456</u>
Total Liabilities	<u>\$ 112,489</u>	<u>\$ 6,458,785</u>	<u>\$ 6,506,818</u>	<u>\$ 64,456</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

STATISTICAL SECTION

RUNNEMEDE SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 1,535,575	\$ 1,297,439	\$ 1,439,446	\$ 1,710,424	\$ 1,843,069	\$ 2,813,156	\$ 3,218,217	\$ 3,226,844	\$ 3,604,197	\$ 3,473,772
Restricted	806,315	937,143	1,454,639	1,575,712	1,572,660	831,010	1,630,994	2,424,411	3,154,832	4,005,111
Unrestricted	(519,489)	(404,700)	(733,844)	(814,701)	(1,322,095)	(565,718)	(449,818)	(525,195)	(570,933)	(3,377,588)
Total Governmental Activities Net Position	<u>\$ 1,822,401</u>	<u>\$ 1,829,882</u>	<u>\$ 2,160,241</u>	<u>\$ 2,471,435</u>	<u>\$ 2,093,634</u>	<u>\$ 3,078,448</u>	<u>\$ 4,399,393</u>	<u>\$ 5,126,060</u>	<u>\$ 6,188,096</u>	<u>\$ 4,101,295</u>
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$	\$	\$	\$	\$ 6,686	\$ 5,944	\$ 7,974	\$ 7,001	\$ 6,164	\$ 5,301
Restricted										
Unrestricted	31,766	25,066	15,167	14,764	5,637	34,843	32,868	41,041	3,410	52,058
Total Business-Type Activities Net Position	<u>\$ 31,766</u>	<u>\$ 25,066</u>	<u>\$ 15,167</u>	<u>\$ 14,764</u>	<u>\$ 12,323</u>	<u>\$ 40,787</u>	<u>\$ 40,842</u>	<u>\$ 48,042</u>	<u>\$ 9,574</u>	<u>\$ 57,359</u>
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 1,535,575	\$ 1,297,439	\$ 1,439,446	\$ 1,710,424	\$ 1,849,755	\$ 2,819,100	\$ 3,226,191	\$ 3,233,845	\$ 3,610,361	\$ 3,479,073
Restricted	806,315	937,143	1,454,639	1,575,712	1,572,660	831,010	1,630,994	2,424,411	3,154,832	4,005,111
Unrestricted	(487,723)	(379,634)	(718,677)	(799,937)	(1,316,458)	(530,875)	(416,950)	(484,154)	(567,523)	(3,325,530)
Total District-Wide Net Position	<u>\$ 1,854,167</u>	<u>\$ 1,854,948</u>	<u>\$ 2,175,408</u>	<u>\$ 2,486,199</u>	<u>\$ 2,105,957</u>	<u>\$ 3,119,235</u>	<u>\$ 4,440,235</u>	<u>\$ 5,174,102</u>	<u>\$ 6,197,670</u>	<u>\$ 4,158,654</u>

Source: CAFR Schedule A-1

RUNNEMEDE SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	For Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental Activities										
Instruction										
Regular	\$ 4,059,377	\$ 4,213,381	\$ 24,645	\$ 3,819,802	\$ 4,104,668	\$ 3,672,898	\$ 3,588,329	\$ 3,770,924	\$ 3,637,514	\$ 3,652,476
Special Education	709,146	854,996	760,881	942,011	885,624	978,108	1,117,505	1,205,619	1,192,569	1,253,654
Other Instruction	88,802	89,831	59,976	258,381	420,505	241,756	208,999	215,467	249,280	307,713
Support Services										
Tuition	702,360	573,951	441,169	661,784	778,809	943,713	605,307	569,265	399,883	413,871
Student and Instruction Related Serv.	1,067,298	978,878	1,166,284	1,122,611	1,260,296	1,285,066	1,329,739	1,380,450	1,418,875	1,575,472
General and Business Admin. Services	463,833	477,783	508,027	609,082	663,529	659,175	568,737	607,624	667,436	551,467
School Administrative Services	315,027	327,882	337,578	360,545	353,592	327,567	339,475	350,477	359,861	356,589
Plant Operations and Maintenance	880,176	906,891	932,759	791,949	834,331	652,554	708,219	653,349	769,558	878,185
Pupil Transportation	381,241	380,987	364,979	447,094	394,595	294,088	226,354	264,384	290,743	311,425
Unallocated Employee Benefits	2,355,814	2,849,491	2,930,512	2,515,630	3,233,570	2,469,749	3,012,067	3,234,907	3,268,707	4,544,444
Amortization of Debt Issue Costs				2,349	2,349	2,349	2,349			
Interest on Long-Term Debt	80,512	69,494	57,962	44,941	34,998	22,267	9,303			
Unallocated Depreciation	12,094	8,774	7,725	5,405	5,613	5,710	79,622	118,484	200,317	163,077
Total Governmental Activities Expenses	11,115,680	11,732,339	7,592,497	11,581,584	12,972,479	11,555,000	11,796,005	12,370,950	12,454,743	14,008,373
Business-Type Activities										
Food Service	135,977	146,534	157,688	230,333	228,624	206,088	245,745	238,344	257,015	220,927
Total Business-Type Activities Expense	135,977	146,534	157,688	230,333	228,624	206,088	245,745	238,344	257,015	220,927
Total District Expenses	\$ 11,251,657	\$ 11,878,873	\$ 7,750,185	\$ 11,811,917	\$ 13,201,103	\$ 11,761,088	\$ 12,041,750	\$ 12,609,294	\$ 12,711,758	\$ 14,229,300
Program Revenues										
Governmental Activities										
Operating Grants and Contributions	\$ 1,700,358	\$ 2,043,957	\$ 2,104,015	\$ 1,251,335	\$ 1,554,471	\$ 1,406,306	\$ 1,480,710	\$ 1,695,295	\$ 1,356,237	\$ 1,482,350
Total Gov'n't Activities Program Rev.	1,700,358	2,043,957	2,104,015	1,251,335	1,554,471	1,406,306	1,480,710	1,695,295	1,356,237	1,482,350
Business-Type Activities										
Charges for Services										
Food Service	56,512	52,926	55,831	62,437	79,625	76,222	73,929	73,395	73,166	92,106
Operating Grants and Contributions	57,506	60,643	63,349	84,031	99,527	114,114	124,896	133,795	121,877	151,602
Total Bus.-Type Activities Prog. Rev.	114,018	113,569	119,180	146,468	179,152	190,336	198,825	207,190	195,043	243,708
Total District Program Revenues	\$ 1,814,376	\$ 2,157,526	\$ 2,223,195	\$ 1,397,803	\$ 1,733,623	\$ 1,596,642	\$ 1,679,535	\$ 1,902,485	\$ 1,551,280	\$ 1,726,058
Net (Expense)/Revenue										
Governmental Activities	\$ (9,415,322)	\$ (9,688,382)	\$ (5,488,482)	\$ (10,330,249)	\$ (11,418,008)	\$ (10,148,694)	\$ (10,315,295)	\$ (10,675,655)	\$ (11,098,506)	\$ (12,526,023)
Business-Type Activities	(21,959)	(32,965)	(38,508)	(83,865)	(49,472)	(15,752)	(46,920)	(31,154)	(61,972)	22,781
Total District-Wide Net Expense	\$ (9,437,281)	\$ (9,721,347)	\$ (5,526,990)	\$ (10,414,114)	\$ (11,467,480)	\$ (10,164,446)	\$ (10,362,215)	\$ (10,706,809)	\$ (11,160,478)	\$ (12,503,242)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied - General Purp.	\$ 5,740,196	\$ 5,980,814	\$ 6,045,047	\$ 5,932,936	\$ 4,366,578	\$ 4,751,585	\$ 5,071,086	\$ 4,806,705	\$ 5,273,763	\$ 6,535,674
Taxes Levied for Debt Service	180,748	183,353	176,266	169,178	174,383					
Unrestricted Grants and Contributions	3,765,728	3,801,965	3,992,069	4,547,600	6,443,842	6,314,821	6,300,716	6,551,576	6,466,280	6,699,260
Investment Earnings				17,356	5,229	1,517	687	1,361	1,126	1,070
Miscellaneous Income	66,004	89,772	82,666	48,033	97,137	109,775	67,604	90,141	178,164	122,516
Other Adjustments	(22,514)	(334,667)		9,610			244,207	(38,350)	(23,500)	(35,381)
Transfers	(25,478)	(25,374)	(27,660)	(83,270)	(46,962)	(44,190)	(48,060)	(9,111)	(9,013)	(9,070)
Total Governmental Activities	9,704,684	9,695,863	10,268,388	10,641,443	11,040,207	11,133,508	11,636,240	11,402,322	11,886,820	13,314,069
Business-Type Activities										
Investment Earnings		891	949	192	69	26	9	4	4	4
Other Adjustments							(1,094)	38,350	297,222	25,000
Transfers	25,478	25,374	27,660	83,270	46,962	44,190	48,060			
Total Business-Type Activities	25,478	26,265	28,609	83,462	47,031	44,216	46,975	38,354	297,226	25,004
Total District-Wide	\$ 9,730,162	\$ 9,722,128	\$ 10,296,997	\$ 10,724,905	\$ 11,087,238	\$ 11,177,724	\$ 11,683,215	\$ 11,440,676	\$ 12,184,046	\$ 13,339,073
Change in Net Position										
Governmental Activities	\$ 289,362	\$ 7,481	\$ 4,779,906	\$ 311,194	\$ (377,801)	\$ 984,814	\$ 1,320,945	\$ 726,667	\$ 788,314	\$ 788,046
Business-Type Activities	3,519	(6,700)	(9,899)	(403)	(2,441)	28,464	55	7,200	235,254	47,785
Total District-Wide	\$ 292,881	\$ 781	\$ 4,770,007	\$ 310,791	\$ (380,242)	\$ 1,013,278	\$ 1,321,000	\$ 733,867	\$ 1,023,568	\$ 835,831

Source: CAFR Schedule A-2

RUNNEMEDE SCHOOL DISTRICT
FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Restricted	\$ 353,315	\$ 583,828	\$ 849,650	\$ 385,401	\$ 499,187	\$ 365,821	\$ 1,383,411	\$ 427,522	\$	
Excess Surplus									716,546	666,782
Maintenance Reserve									200,000	700,000
Capital Reserve									1,369,944	377,010
Assigned										
Year End Encumbrances									103,192	26,388
Subsequent Year's Expenditures									733,059	2,234,931
Unassigned	468,562	452,191	679,881	1,228,391	503,918	347,400	242,594	(140,989)	(181,593)	(128,240)
Total General Fund	<u>\$ 821,877</u>	<u>\$ 1,036,019</u>	<u>\$ 1,529,531</u>	<u>\$ 1,613,792</u>	<u>\$ 1,003,105</u>	<u>\$ 713,221</u>	<u>\$ 1,626,005</u>	<u>\$ 286,533</u>	<u>\$ 2,941,148</u>	<u>\$ 3,876,871</u>
All Other Governmental Funds										
Reserved	\$	\$	\$	\$	\$	\$ 51,578	\$ 3,072	\$	\$	\$
Unreserved, Reported in:										
Special Revenue Fund	(4,260)	(4,261)	(9,161)							
Capital Projects Fund					421,509	24,583	29,019	32,091	32,091	
Total All Other Governmental Funds	<u>\$ (4,260)</u>	<u>\$ (4,261)</u>	<u>\$ (9,161)</u>	<u>\$</u>	<u>\$ 421,509</u>	<u>\$ 76,161</u>	<u>\$ 32,091</u>	<u>\$ 32,091</u>	<u>\$ 32,091</u>	<u>\$</u>

Source: CAFR Schedule B-1

RUNNEMEDE SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax Levy	\$ 5,920,944	\$ 6,164,167	\$ 6,221,313	\$ 6,092,953	\$ 6,095,432	\$ 6,157,891	\$ 6,551,796	\$ 6,502,000	\$ 6,630,000	\$ 6,762,600
Tuition	12,500			21,198	37,610	34,946	49,209	49,015	169,449	80,144
Interest Earnings				17,356	5,229	1,517	687	1,361	1,126	1,070
Miscellaneous	53,504	89,772	82,666	26,835	59,527	74,829	18,395	41,126	8,715	42,372
State Sources	5,052,611	5,409,396	5,709,778	5,463,350	5,042,164	5,824,349	5,656,260	6,014,785	5,934,615	6,164,241
Federal Sources	413,475	436,525	386,306	400,333	1,401,678	490,472	644,456	536,791	531,665	535,019
Total Revenues	11,453,034	12,099,860	12,400,063	12,022,025	12,641,640	12,584,004	12,920,803	13,145,078	13,275,570	13,585,446
Expenditures										
Instruction										
Regular Instruction	3,987,083	4,140,588	4,085,426	3,733,316	4,014,841	3,581,539	3,577,043	3,770,924	3,608,552	3,635,082
Special Education Instruction	709,146	854,996	760,881	942,011	885,624	978,108	1,117,505	1,205,619	1,192,569	1,253,654
Other Instruction	88,802	89,831	59,976	258,381	420,505	241,756	208,999	215,467	249,280	307,713
Support Services										
Tuition	702,360	573,951	441,169	661,784	778,809	943,713	605,307	569,265	399,883	413,871
Student and Instruction Related Services	1,067,298	978,878	1,166,284	1,178,198	1,260,296	1,285,066	1,329,739	1,380,450	1,418,875	1,575,472
School Administrative Services	315,027	327,882	337,578	360,545	353,592	364,929	367,591	395,532	403,423	370,349
General Administrative Services	444,343	464,936	497,276	598,271	652,300	610,393	539,191	562,569	614,220	525,500
Plant Operations and Maintenance	860,431	900,468	931,892	786,544	828,717	646,844	613,830	653,349	767,145	866,079
Pupil Transportation	381,241	380,987	364,979	447,094	394,595	294,088	226,354	264,384	290,743	311,425
Business and Other Support Services	2,355,814	2,849,491	2,930,512	2,561,940	2,809,406	3,118,199	3,057,764	3,292,419	3,299,905	3,303,859
Capital Outlay	10,000		20,012	42,975	101,428	834,286	97,581	127,111	344,977	74,359
Debt Service										
Principal	210,000	225,000	225,000	225,000	245,000	250,000	250,000			
Interest and Other Charges	84,099	73,337	61,806	50,274	38,743	26,125	13,125			
Total Expenditures	11,215,644	11,860,345	11,882,791	11,846,333	12,783,856	13,175,046	12,004,029	12,437,089	12,589,572	12,637,363
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	237,390	239,515	517,272	175,692	(142,216)	(591,042)	916,774	707,989	685,998	948,083
Other Financing Sources (Uses)										
Transfers, Net	(25,478)	(25,374)	(27,660)	(83,270)	(46,962)	(44,190)	(48,060)	(38,350)	(23,500)	(25,000)
Cancellation of prior year Receivable										(10,381)
Transfer to Charter School								(9,111)	(9,013)	(9,070)
Total Other Financing Sources (Uses)	(25,478)	(25,374)	(27,660)	(83,270)	(46,962)	(44,190)	(48,060)	(47,461)	(32,513)	(44,451)
Net Change in Fund Balances	\$ 211,912	\$ 214,141	\$ 489,612	\$ 92,422	\$ (189,178)	\$ (635,232)	\$ 868,714	\$ 660,528	\$ 653,485	\$ 903,632
Debt Service as a Percentage of										
Noncapital Expenditures	2.6%	2.5%	2.4%	2.3%	2.2%	2.2%	2.2%	0.0%	0.0%	0.0%

Source: CAFR Schedule B-2

EXHIBIT J-5

RUNNEMEDE SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Homeless</u> <u>Reimbursement</u>	<u>Transfer</u> <u>from</u> <u>Payroll</u>	<u>Miscellaneous</u>	<u>Total</u>
2015	\$ 1,070	\$ 80,144	\$ 12,205	\$	\$	\$ 25,857	\$ 119,276
2014	1,126	169,449	4,529			2,124	177,228
2013	1,361	49,015	30,583			5,297	86,256
2012	41,126	1,361	4,658			3,746	50,891
2011	18,395	687	52,352			15,941	87,375
2010	5,229	37,610	34,882			24,645	102,366
2009	17,356	21,198	12,722			4,113	55,389
2008	60,542	8,800	5,648		2,510	5,166	82,666
2007	60,677		991		28,104		89,772
2006	30,604	12,500	1,228	21,485		187	66,004

Source: District Records

RUNNEMEDE SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual County Equalized Value
2015	\$ 3,876,000	\$ 381,090,800	\$ 75,673,700	\$ 16,597,100	\$ 26,843,000	\$ 504,080,600	\$ 1,048,625	\$ 505,129,225	\$ 1.353	\$ 526,944,737
2014	4,354,200	380,658,400	74,854,600	18,574,500	27,118,900	505,560,600	1,021,763	506,582,363	1.294	515,762,943
2013	4,788,500	381,511,400	73,710,800	19,241,100	27,118,900	506,370,700	1,242,127	334,255,309	1.294	549,113,180
2012	3,097,500	257,928,600	45,472,800	12,060,100	14,752,700	333,311,700	943,609	334,255,309	1.953	591,488,940
2011	2,856,100	257,348,900	45,272,700	12,060,100	17,052,700	334,590,500	933,735	335,524,235	1.817	591,488,940
2010	2,897,400	257,268,300	45,786,500	12,300,100	18,027,700	336,280,000	970,055	337,250,055	1.808	588,376,307
2009	2,979,200	257,477,700	45,139,100	12,300,100	18,297,700	336,193,800	945,824	337,139,624	1.823	591,141,251
2008	2,952,100	257,174,700	45,644,500	12,749,700	18,297,700	336,818,700	1,048,363	337,867,063	1.839	534,990,012
2007	3,211,700	255,372,400	45,678,400	13,049,700	18,297,700	335,609,900	1,121,421	336,731,321	1.806	473,892,732
2006	2,840,200	254,680,800	44,427,900	13,249,700	18,297,700	333,496,300	1,229,499	334,725,799	1.729	406,546,202

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

c Estimate

RUNNEMEDE SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(UNAUDITED)

Year Ended June 30,	Runnemede School District			Overlapping Rates			
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Runnemede	Regional School	Camden County	Total
2015	\$ 1.353	\$ 0.000	\$ 1.353	\$ 1.012	\$ 0.588	\$ 0.846	\$ 3.799
2014	1.378	0.000	1.378	0.984	0.568	0.802	3.732
2013	1.259	0.035	1.294	0.998	0.566	1.255	4.113
2012	1.953	0.000	1.953	1.425	0.869	1.124	5.371
2011	1.841	0.054	1.895	1.497	0.835	1.073	5.300
2010	1.767	0.050	1.817	1.379	0.835	1.054	5.085
2009	1.754	0.054	1.808	1.347	0.838	1.041	5.034
2008	1.769	0.054	1.823	1.248	0.866	1.046	4.983
2007	1.785	0.054	1.839	1.109	0.876	1.071	4.895
2006	1.751	0.055	1.806	0.999	0.866	0.943	4.614

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy . The levy when added to other components of the District's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.

a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

RUNNEMEDE SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2015		2005	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Presidential Associates	\$ 10,205,100	2.02%	\$	
Hartford Plaza	10,108,400	2.00%		
The Meadows at Runnemedede	10,056,800	1.99%		
DPE Runnemedede Assoc. LLC	7,419,200	1.47%		
Runnemedede Lodging Investors	4,338,800	0.86%		
Sinatra Corporation	3,830,600	0.76%		
East Coast Enterprises	3,273,600	0.65%		
Runnemedede Associates	2,966,500	0.59%		
D&P Industrial	2,394,200	0.47%		
Oak Ridge Apartments	1,984,000	0.39%		
Total	\$ 56,577,200	11.17%	\$	0.00%

Source: District CAFR & Municipal Tax Assessor

EXHIBIT J-9

RUNNEMEDE SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2015	\$ 6,762,600	\$ 6,630,000	96.15%	\$
2014	6,630,000	6,502,000	98.04%	
2013	6,502,000	6,374,873	100.00%	
2012	6,374,873	6,374,873	100.00%	
2011	6,157,981	6,157,981	100.00%	
2010	6,095,432	6,095,432	100.00%	
2009	6,092,953	6,092,953	100.00%	
2008	6,221,313	6,221,313	100.00%	
2007	6,164,167	6,164,167	100.00%	
2006	5,920,944	5,920,944	100.00%	
2005	5,629,345	5,629,345	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the School District the entire property tax balance, the amount voted upon or certified prior to the end of the school year.

RUNNEMEDE SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2015	\$	\$	\$	\$	\$		0.00%	\$
2014							0.00%	
2013							0.00%	
2012							0.00%	
2011	250,000				250,000		0.07%	30
2010	500,000				500,000		0.14%	89
2009	745,000				745,000		0.21%	115
2008	970,000				970,000		0.29%	141
2007	1,195,000				1,195,000		0.37%	168
2006	1,420,000				1,420,000		0.46%	192

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

RUNNEMEDE SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$	\$	\$	0.00%	\$
2014				0.00%	
2013				0.00%	
2012				0.00%	
2011	250,000		250,000	0.04%	30
2010	500,000		500,000	0.15%	59
2009	745,000		745,000	0.22%	88
2008	970,000		970,000	0.29%	115
2007	1,195,000		1,195,000	0.35%	142
2006	1,420,000		1,420,000	0.42%	168
2005	1,630,000		1,630,000	0.49%	193

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-13.

If a District has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

RUNNEMEDE SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Borough of Runnemede	\$ 6,527,750	100.00%	\$ 6,527,750
Camden County General Obligation Debt	246,860,397	1.40%	3,463,581
Black Horse Pike Regional High School District	14,887,000	9.45%	1,407,159
Subtotal, Overlapping Debt			11,398,490
Runnemede School District Direct Debt			
Total Direct and Overlapping Debt			\$ 11,398,490

Sources: Camden County Board of Taxation

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Commercial. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

RUNNEMEDE SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2014

	Equalized Valuation Basis	
	2014	\$ 514,094,570
	2013	528,239,829
	2012	525,065,690
	[A]	\$ 1,567,400,089
Average Equalized Valuation of Taxable Property	[A/3]	\$ 522,466,696
Debt Limit (3% of Average Equalization Value)	[B]	\$ 15,674,001 ^a
Net Bonded School Debt	[C]	
Legal Debt Margin	[B-C]	\$ 15,674,001

For the Year Ended,

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 12,376,696	\$ 13,969,422	\$ 15,834,779	\$ 17,248,752	\$ 17,842,928	\$ 17,780,795	\$ 17,185,675	\$ 10,762,856	\$ 16,045,255	\$ 15,674,001
Total Net Debt Applicable to Limit	1,420,000	1,195,000	970,000	745,000	500,000	250,000				
Legal Debt Margin	\$ 10,956,696	\$ 12,774,422	\$ 14,864,779	\$ 16,503,752	\$ 17,342,928	\$ 17,530,795	\$ 17,185,675	\$ 10,762,856	\$ 16,045,255	\$ 15,674,001
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11%	9%	6%	4%	4%	1%	0%	0%	0%	0%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

^a Limit set by NJSA 18A:24-19 for a K through 8 District; other % limits would be applicable for other Districts

RUNNEMEDE SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Year		Population ^a		Personal Income (thousands of dollars) ^b		Per Capita Personal Income ^c	Unemployment Rate ^d
2015	*	8,416	\$	394,874,508	\$	46,919	8.2%
2014		8,427		391,475,864		46,455	8.1%
2013		8,436		388,013,820		45,995	7.6%
2012		8,451		384,858,540		45,540	12.8%
2011		8,462		375,365,858		44,359	12.6%
2010		8,467		359,483,419		42,457	12.8%
2009		8,408		355,170,736		42,242	12.2%
2008		8,421		355,871,460		42,260	7.9%
2007		8,450		346,416,200		40,996	6.0%
2006		8,457		334,567,377		39,561	6.5%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

* Estimate

RUNNEMEDE SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

RUNNEMEDE SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	71	72	72	69	68	67	67	57	57	59
Special Education	12	12	12	12	12	20	20	28	16	17
Support Services:										
Tuition										
Student & Instruction Related Services	4	4	4	4	4	15	15	17.5	32	34
General Administrative Services	5	5	5	4	4	2	2	2	2	2
School Administrative Services	5	5	5	5	5	7	7	8	7	9
Business Administrative Services	2	2	2	3	3	3	3	3	5.5	5
Plant Operations and Maintenance	10	10	10	12	12	12	12	12.5	9.5	9.5
Food Service	1	1	1	1	1			4	4	3
Total	<u>110</u>	<u>111</u>	<u>111</u>	<u>110</u>	<u>109</u>	<u>126</u>	<u>126</u>	<u>132</u>	<u>133</u>	<u>139</u>

Source: District Personnel Records

RUNNEMEDE SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle				
2015	870	\$ 12,563,004	\$ 14,440	-0.9%	78	1:13	1:09	855.7	812.5	1.65%	94.95%
2014	840	12,243,465	14,576	1.0%	81	1:12	1:90	841.8	799.04	-1.60%	94.92%
2013	853	12,309,978	14,431	4.5%	86	1:11	1:10	855.5	810.3	1.64%	94.72%
2012	862	11,906,448	13,813	-6.9%	82	1:08	1:12	841.7	801.7	1.29%	95.25%
2011	832	12,340,760	14,833	1.9%	87	1:11	1:07	831.0	779.0	0.37%	93.74%
2010	852	12,398,685	14,552	3.9%	80	1:13	1:08	827.9	777.5	1.16%	93.91%
2009	823	11,528,084	14,007	-2.8%	80	1:13	1:08	818.4	776.3	3.59%	94.86%
2008	803	11,575,973	14,416	0.5%	95	1:13	1:10	790.0	734.0	0.00%	92.91%
2007	806	11,562,008	14,345	5.8%	92	1:13	1:10	790.0	745.0	0.77%	94.30%
2006	805	10,911,545	13,555	11.8%	91	1:13	1:10	784.0	744.0	-3.69%	94.90%
2005	834	10,111,094	12,124	-1.9%	92	1:13	1:10	814.0	773.0	3.04%	94.96%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

RUNNEMEDE SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>District Building</u>										
<u>Elementary</u>										
Bingham Elementary (1929)										
Square Feet	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050
Capacity (Students)	191	191	191	191	191	191	191	191	191	191
Enrollment	178	178	177	177	182	205	208	195	194	210
Downing Elementary (1930)										
Square Feet	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315
Capacity (Students)	162	162	162	162	162	162	162	162	162	162
Enrollment	155	155	157	157	178	168	170	177	168	159
<u>Middle School</u>										
Volz Middle School (1956)										
Square Feet	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268
Capacity (Students)	468	468	468	468	468	468	468	468	468	468
Enrollment	450	450	456	456	468	458	464	481	478	501
<u>Other</u>										
Garage										
Square Feet	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132

Number of Schools at June 30, 2015

 Elementary = 2
 Middle = 1
 High School = 0
 Other = 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October District count.

RUNNEMEDE SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Bingham School	25,050	\$ 13,781	\$ 26,960	\$ 22,500	\$ 16,720	\$ 14,318	\$ 26,359	\$ 218	\$ 4,785	\$ 54,178	\$ 13,462
Downing School	23,315	16,543	19,995	17,973	13,631	12,378	46,168	35	2,693	16,378	20,766
Volz School	70,268	84,184	44,401	49,407	42,974	36,999	29,531	14,527	115,151	66,243	46,426
Total School Facilities		114,508	91,356	89,880	73,325	63,695	102,058	14,780	122,629	136,799	80,654
Other Facilities	2,132										
Grand Total		\$ 114,508	\$ 91,356	\$ 89,880	\$ 73,325	\$ 63,695	\$ 102,058	\$ 14,780	\$ 122,629	\$ 136,799	\$ 80,654

RUNNEMEDE SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
NJ School Boards Association			
Insurance Group			
	Building and Contents (All Locations)		
	Blanket Real & Personal Property	\$ 350,000,000	\$ 5,000
	Blanket Extra Expense	50,000,000	5,000
	Equipment Breakdown	100,000,000	5,000
	Valuable Papers	10,000,000	5,000
	Pollutant Cleanup & Removal	250,000	1,000
	General Liability	6,000,000	
	Automobile Liability	6,000,000	1,000
	Worker's Compensation		
	Professional & Clerical	6,537,672	
	Non-Professional & Driver	373,977	
	Employer	2,000,000	
	Crime Coverage	25,000	500
	Catastrophic Student Accident Coverage		
	Accident Medical Expense Benefit	6,000,000	
	Catastrophic Cash Benefit	1,000,000	
Western Surety Insurance			
	Surety Bonds		
	Treasurer	200,000	1,000
	Board Secretary	50,000	1,000

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

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November 25, 2015

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Runnemede School District
County of Camden, New Jersey 08078

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education of the Runnemede School District's basic financial statements and have issued our report thereon dated November 25, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Runnemede Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Runnemede Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Runnemede Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We did identify one immaterial deficiency involving internal control over financial reporting that we have reported to the Runnemede Board of Education in a separate report entitled, *Auditor's Management Report on Administrative Findings, Compliance and Performance* dated November 25, 2015, as labeled 2015-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Runnemede Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Runnemede Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully Submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

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November 25, 2015

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Runnemede School District
County of Camden, New Jersey 08078

Report on Compliance for Each Major Program

We have audited the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Runnemede School District's major federal and state programs for the year ended June 30, 2015. The Runnemede Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Runnemede Board of Education's major federal and state compliance based on our audit of the types of compliance requirements referred above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Runnemede Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Runnemede Board of Education's compliance with those requirements.

Opinion on Each Major Program

In our opinion, the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Board of Education of the Runnemede School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Runnemede Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Runnemede Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 25, 2015. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08.

This report is intended solely for the information and use of the audit committee, management, the Runnemede Board of Education, the New Jersey State Department of Education, other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully Submitted,
NIGHTLINGER, COLAVITA & VOLPA, PA

A handwritten signature in dark ink, appearing to read "Raymond Colavita", is written over the printed name.

Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014	Cash Received	Budgetary Expenditures	Adjustment / Repayment of Prior Year Balance	Balance at June 30, 2015		
				From	To					(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Education												
General Fund												
Medicaid Assistance Program	93.778	N/A	\$ 30,087	7/1/14	6/30/15		\$ 30,087	\$ (30,087)				
Total General Fund							30,087	(30,087)				
U.S. Department of Agriculture												
Passed-through State Department of Education:												
Enterprise Fund:												
School Breakfast Program	10.553	N/A	28,668	7/1/14	6/30/15		26,315	(28,668)		\$ (2,353)		
School Breakfast Program	10.553	N/A	16,702	7/1/13	6/30/14	\$ (3,749.00)	3,749					
Food Distribution Program	10.565	N/A	13,669	7/1/14	6/30/15		13,669	(13,669)				
National School Lunch Program	10.555	N/A	106,642	7/1/14	6/30/15		100,914	(106,642)		(5,728)		
National School Lunch Program	10.555	N/A	92,245	7/1/13	6/30/14	(17,689)	17,689					
Total Enterprise Fund						(21,438)	162,336	(148,979)		(8,081)		
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
Title I	84.010A	NCLB0950-15	170,482	7/1/14	6/30/15		144,216	(153,058)		(8,842)		
Title I	84.010A	NCLB0950-14	224,261	7/1/13	6/30/14	(52,499)	87,446	(14,987)	\$ (19,960)			
ARRA- Title I, Part A	84.389A	ARRA095011	43,330	7/1/13	6/30/14	113			(113)			
Title II A	84.367A	NCLB0950-15	44,632	7/1/14	6/30/15		38,234	(38,234)				
Title II A	84.367A	NCLB0950-14	61,830	7/1/13	6/30/14	(22,238)	31,309	(9,306)	235			
I.D.E.A. Part B, Pre-school	84.173	IDEAPS0950-15	11,718	7/1/14	6/30/15		11,718	(11,718)				
I.D.E.A. Part B, Pre-school	84.173	IDEAPS0950-14	11,691	7/1/13	6/30/14	(4,660)	5,608	(948)				
I.D.E.A. Part B Basic	84.027	IDEA0950-15	258,081	7/1/14	6/30/15		254,712	(254,722)		(10)		
I.D.E.A. Part B Basic	84.027	IDEA0950-14	244,902	7/1/13	6/30/14	(20,741)	35,902	(15,161)				
Total Special Revenue Fund						(100,025)	609,145	(498,134)	(19,838)	(8,852)		
Total Federal Financial Assistance						\$ (121,463)	\$ 801,568	\$ (677,200)	\$ (19,838)	\$ (16,933)		

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - Schedule B
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014		Cash Received	Budgetary Expenditures	Adjustment / Repayment of Prior Year Balance	Balance at June 30, 2015		MEMO	
			From	To	(Accounts Receivable)	Due To Grantor				(Accounts Receivable)	Due To Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Equalization Aid	14-495-034-5120-078	\$ 4,192,794	7/1/13	6/30/14	\$ (399,322)		\$ 399,322						
Equalization Aid	15-495-034-5120-078	4,192,794	7/1/14	6/30/15			3,787,407	\$ (4,192,794)		\$ (405,387)		* \$ (405,387)	\$ 4,192,794
Special Education Aid	14-495-034-5120-089	474,234	7/1/13	6/30/14	(45,166)		45,166						
Special Education Aid	15-495-034-5120-089	474,234	7/1/14	6/30/15			428,382	(474,234)		(45,852)		*	(45,852) 474,234
School Choice Aid	14-495-034-5120-068	73,107	7/1/13	6/30/14	(6,963)		6,963						
School Choice Aid	15-495-034-5120-068	40,615	7/1/14	6/30/15			36,688	(40,615)		(3,927)		*	(3,927) 40,615
Transportation Aid	14-495-034-5120-014	17,260	7/1/13	6/30/14	(1,644)		1,644						
Transportation Aid	15-495-034-5120-014	17,260	7/1/14	6/30/15			15,591	(17,260)		(1,669)		*	(1,669) 17,260
Security Aid	14-495-034-5120-084	35,985	7/1/13	6/30/14	(3,427)		3,427						
Security Aid	15-495-034-5120-084	35,985	7/1/14	6/30/15			32,506	(35,985)		(3,479)		*	(3,479) 35,985
Under Adequacy Aid	14-495-034-5120-096	496	7/1/13	6/30/14	(47)		47						
Under Adequacy Aid	15-495-034-5120-096	496	7/1/14	6/30/15			448	(496)		(48)		*	(48) 496
Additional Adjustment Aid	15-495-034-5120-085	8,123	7/1/14	6/30/15			7,338	(8,123)		(785)		*	(785) 8,123
PARCC Readiness Aid	15-495-034-5120-098	7,940	7/1/14	6/30/15			7,172	(7,940)		(768)		*	(768) 7,940
Per Pupil Growth Aid	15-495-034-5120-097	7,940	7/1/14	6/30/15			7,172	(7,940)		(768)		*	(768) 7,940
Extraordinary Aid	14-100-034-5120-473	55,904	7/1/13	6/30/14	(55,904)		55,904						
Extraordinary Aid	15-100-034-5120-473	117,007	7/1/14	6/30/15				(117,007)		(117,007)		*	117,007
Non-public Transportation Aid	14-495-034-5120-014	4,072	7/1/13	6/30/14	(4,072)		4,072						
Non-public Transportation Aid	15-495-034-5120-014	2,436	7/1/14	6/30/15				(2,436)		(2,436)		*	2,436
Reimbursed TPAF Social Security Contrib.	15-495-034-5094-003	391,797	7/1/14	6/30/15			372,588	(391,797)		(19,209)		*	391,797
Homeless Tuition Aid	N/A	2,783	7/1/14	6/30/15				(2,783)		(2,783)		*	2,783
Total General Fund					(516,545)		5,211,837	(5,299,410)		(604,118)		(462,683)	5,296,627
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook Aid	15-100-034-5120-064	10,427	7/1/14	6/30/15			10,427	(10,350)		\$ 77	*		10,350
Textbook Aid	14-100-034-5120-064	8,666	7/1/13	6/30/14									
Nursing Aid	15-100-034-5120-070	16,599	7/1/14	6/30/15			16,599	(16,597)		2	*		16,597
Nursing Aid	14-100-034-5120-070	12,198	7/1/13	6/30/14		\$ 17			\$ (17)				
Technology Aid	15-100-034-5120-373	5,600	7/1/14	6/30/15			5,600	(5,490)			110	*	5,490
Auxiliary Services:													
Compensatory Education Aid	15-100-034-5120-067	61,191	7/1/14	6/30/15			49,716	(45,059)			4,657	*	45,059
Compensatory Education Aid	14-100-034-5120-067	64,199	7/1/13	6/30/14		32,613			(32,613)				
Transportation Aid	15-100-034-5120-067	11,475	7/1/14	6/30/15			11,475	(3,958)			7,517	*	3,958
Transportation Aid	14-100-034-5120-067	11,438	7/1/13	6/30/14		7,522			(7,522)				
Handicapped Services:													
Supplemental Instruction Aid	15-100-034-5120-066	16,009	7/1/14	6/30/15			16,009	(14,282)			1,727	*	14,282
Supplemental Instruction Aid	14-100-034-5120-066	19,428	7/1/13	6/30/14		7,356			(7,356)				
Examination & Classification Aid	15-100-034-5120-066	21,617	7/1/14	6/30/15			21,617	(17,476)			4,141	*	17,476
Examination & Classification Aid	14-100-034-5120-066	23,406	7/1/13	6/30/14		3,980			(3,980)				
Corrective Speech	15-100-034-5120-066	13,253	7/1/14	6/30/15			13,253	(8,305)			4,948	*	8,305
Corrective Speech	14-100-034-5120-066	32,029	7/1/13	6/30/14		22,342			(22,342)				
Total Special Revenue Fund						73,830	144,696	(121,517)	(73,830)		23,179		121,517
Capital Projects Fund:													
NJSDA	4590-030-09-1002	224,392	7/1/09	Closing	(224,392)		215,666		8,726			*	224,392
NJSDA	4590-030-09-1003	170,104	7/1/09	Closing	(170,104)		170,104					*	170,104
NJSDA	4590-030-09-1004	120,121	7/1/09	Closing	(66,496)		64,841		1,655			*	120,121
					(460,992)		450,611		10,381				514,617
State Department of Agriculture:													
Enterprise Fund:													
School Lunch Prog.	14-100-010-3350-023	2,379	7/1/13	6/30/14	(550)		550						
School Lunch Prog.	15-100-010-3350-023	2,623	7/1/14	6/30/15			2,410	(2,623)		(213)		*	2,623
Total Enterprise Fund					(550)		2,960	(2,623)		(213)			2,623
Total State Financial Assistance Subject to OMB 04-04/15-08					\$ (978,087)	\$ 73,830	\$ 5,810,104	\$ (5,423,550)	\$ (63,449)	\$ (604,331)	\$ 23,179	\$ (462,683)	\$ 5,935,384
On Behalf TPAF Contributions Not Subject to OMB 04-04/15-08													
On-Behalf TPAF Post Retirement Medical	15-495-034-5094-001	289,634	7/1/14	6/30/15			\$ 289,634	\$ (289,634)					
On-Behalf TPAF Pension Contribution	15-495-034-5094-006	459,794	7/1/14	6/30/15			459,794	(459,794)					
Total State Financial Assistance							\$ 6,559,532	\$ (6,172,978)					

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Runnemede School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$6,114) for the general fund and \$6,798 for the special revenue fund. See Note A (Notes to Required Supplemental Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015
(Continued)

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 30,087	\$ 6,042,724	\$ 6,072,811
Special Revenue Fund	504,932	121,517	626,449
Food Service Fund	148,979	2,623	151,602
Total Awards & Financial Assistance	<u>\$ 683,998</u>	<u>\$ 6,166,864</u>	<u>\$ 6,850,862</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Runnemedede School District had no outstanding loans as of June 30, 2015.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results Section of the Schedule of Findings and Questioned Cost.

NOTE 8: ADJUSTMENTS

There were three adjustments totaling \$19,838, reflected on Schedule A of Federal Awards, representing a prior purchase order adjustments and \$10,381 on Schedule B the State Financial Assistance.

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness (es) identified? _____ yes X _____ no
- 2) Significant deficiencies identified? _____ yes X _____ none reported

Noncompliance material to basic financial statements noted? _____ yes X _____ no

Federal Awards

Internal control over major programs:

- 1) Material weakness (es) identified? _____ yes X _____ no
- 2) Significant deficiencies identified? _____ yes X _____ none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ yes X _____ no

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	IDEA Basic
84.173	IDEA Preschool

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? X yes _____ no

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

- | | | |
|---|---------------------------------|----------------------------------|
| 1) Material weakness (es) identified? | <u> </u> yes | <u> X </u> no |
| 2) Significant deficiencies identified that are not considered to be material weaknesses? | <u> </u> yes | <u> X </u> none reported |

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04 and/or 15-08 yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
15-495-034-5120-078	Equalization Aid
15-495-034-5120-089	Special Education Categorical Aid
15-495-034-5120-068	School Choice Aid
15-495-034-5120-084	Security Aid
15-495-034-5120-085	Adjustment Aid
15-495-034-5120-097	Per Pupil Growth Aid
15-495-034-5120-098	PARCC Readiness
15-495-034-5120-096	Under Adequacy Aid
15-495-034-5094-003	Reimbursed TPAF Social Security Contribution

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)

Section II - Financial Statement Findings

Finding: NONE

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Management's response:

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs

FEDERAL AWARDS

NONE

STATE AWARDS

NONE

RUNNEMEDE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315(a) (b)) and New Jersey OMB's Circular 04-04 and 15-08.

STATUS OF PRIOR - YEAR FINDINGS

There were no prior year findings.